

CSX

TRANSPORTATION

EQUIPMENT GROUP

RECORDATION NO. 12595 Filed & Recorded

APR 22 1987 2-30 PM

RECORDATION NO. 12595 Filed & Recorded

APR 22 1987 2-30 PM

INTERSTATE COMMERCE COMMISSION

Law Department
100 North Charles Street
Baltimore, MD 21201

RECORDATION NO. 12595 Filed & Recorded

April 16, 1987

APR 22 1987 2-30 PM

Ms. Noretta McGee, Secretary
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Washington, DC 20423

RECORDATION NO. 12595 Filed & Recorded

APR 22 1987 2-30 PM

INTERSTATE COMMERCE COMMISSION

Date APR 22 1987

Fee \$ 10.00

ICC Washington, D.C.

Dear Ms. McGee:

Re: Document for Recordation
49 USC §11303

I have enclosed an original and two copies of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

The document, entitled "Assignment and Assumption of Equipment Lease" dated March 10, 1987 is an assignment and should be treated as a secondary document. The primary document to which this is connected is recorded under Recordation No. 12595. We request that this assignment be cross-indexed.

The names and addresses of the parties to the secondary document are:

Assignor: Gulf Coast Grain, Inc.
Suite 103, Box 51
965 Ridge Lake Boulevard
Memphis, TN 38119
Attn: Manager-Rail Transportation

Guarantor
of Assignor: Mitsui & Co. (U.S.A.), Inc.
Suite 101, Box 81
965 Ridge Lake Boulevard
Memphis, TN 38119
Attn: Mr. Nobuo Ohashi

Assignee: CSX Transportation, Inc.
100 North Charles Street
Baltimore, MD 21201
Attn: Treasury Dept. - SC 223

A description of the equipment covered by the secondary document follows:

Ms. Noreta R. McGee
April 16, 1987
Page 2

One Hundred Forty Eight (148) 100-ton, truck gravity hopper cars, all having AAR mechanical designation C113 and having reporting marks SBD 253435-253582. (The cars previously had non-consecutive reporting marks in the GCGX 335-499 series.)

An original and two copies of the document are enclosed. After filing, please return the original and all extra copies of the document to me at the following address:

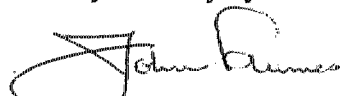
John W. Humes, Jr.
Senior General Attorney
CSX Transportation
100 North Charles Street
Baltimore, MD 21201

A check in the amount of \$10.00 for the filing fee is enclosed.

A short summary of the document follows:

An assignment between Gulf Coast Grain, Inc., Suite 103, Box 51, 965 Ridge Lake Boulevard, Memphis, TN 38119 (Assignor); Mitsui & Co. (U.S.A.), Inc., Suite 101, Box 81, 965 Ridge Lake Boulevard, Memphis, TN 38119 (Guarantor); and CSX Transportation, Inc., 100 North Charles Street, Baltimore, MD 21201 (Assignee) covering One Hundred and Forty Eight (148) - 100 ton, truck gravity hopper cars.

Very truly yours,



John W. Humes, Jr.
Sr. General Attorney

JWH/plb

Enclosures

cc: Mr. M. K. Johnson
Mr. J. E. Kruger

ASSIGNMENT AND ASSUMPTION RECORDATION NO. 12595 *A* Filed & Recorded

OF

APR 22 1987 2:50 PM

EQUIPMENT LEASE

INTERSTATE COMMERCE COMMISSION

THIS AGREEMENT (the "Agreement") made as of the 10th day of March, 1987, between and among Gulf Coast Grain, Inc., a Delaware corporation ("Gulf Coast"), CSX Transportation, Inc., a Virginia corporation ("CSX"), and Mitsui & Co. (U.S.A.), Inc., a New York corporation ("Mitsui").

WITNESSETH:

WHEREAS, pursuant to the terms of a certain Equipment Lease dated as of November 1, 1980 (the "Lease"), between First Security Bank of Utah, N.A. (the "Lessor"), solely as trustee under a Trust Agreement dated as of November 1, 1980, with General Electric Credit Corporation, a New York corporation (the "Trustor"), and Gulf Coast, as lessee, Gulf Coast is currently leasing from the Lessor 148 100-ton, truck gravity discharge hopper cars, which are more particularly described in Exhibit "A" attached hereto (the "Cars"); and

WHEREAS, Gulf Coast desires to sell and assign all of its rights under the Lease, a copy of which is attached hereto as Exhibit "B," and CSX desires to assume the Lease, upon the terms and conditions stated herein; and

WHEREAS, Mitsui is the guarantor of the obligations of Gulf Coast under the Lease, by virtue of a certain Guaranty Agreement dated as of November 1, 1980.

NOW, THEREFORE, in consideration of the foregoing, and the promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Definitions. Unless otherwise defined herein or the context requires otherwise, all capitalized terms used in this Agreement shall have the meaning ascribed to them in the Lease.

2. Assignment. Upon the terms stated herein, Gulf Coast hereby assigns and conveys to CSX all its right, title and interest in the Lease (the "Assignment").

3. Acceptance and Assumption. Upon the terms stated herein, CSX hereby accepts the Assignment of the Lease, and hereby assumes all duties, liabilities, and obligations of Gulf Coast under the Lease, other than the obligation to pay the Fixed Rental (the "Assumption"). Except as otherwise provided in section 8(b) hereof, the obligation to pay the Fixed Rental under the Lease shall continue as the obligation and duty of Gulf Coast; provided, however, notwithstanding anything herein to the contrary, this provision does not constitute a release of Gulf Coast from its duties, liabilities or obligations under the Lease vis-a-vis the Lessor, all of which shall remain in full force and effect.

4. Effective Date of Assignment and Assumption. The Assignment and Assumption shall automatically become effective with respect to each Car at the time such Car is delivered to and accepted by CSX as provided herein (the "Effective Date").

5. Possession. Gulf Coast represents and warrants that delivery of each of the Cars to CSX shall occur between May 1, 1987, and July 1, 1987, at CSX's delivery location at Scottsbluff, Nebraska (the "Delivery Point"). Gulf Coast further warrants that at the time of delivery, each Car shall: (i) be in the same operating order, repair and condition as when originally delivered to Gulf Coast, reasonable wear and tear excepted, (ii) meet all standards with respect to maintenance and repair then in effect and (iii) otherwise be in a condition suitable for use in interchange in accordance with the Interchange Rules, or supplements thereto, of the Mechanical Division, Association of American Railroads, in effect on the date of delivery ("Interchange Condition").

In the event any of the Cars are damaged or destroyed beyond repair in the opinion of Gulf Coast due to causes beyond Gulf Coast's control prior to delivery thereof to CSX, the damaged or destroyed Cars shall be excluded from this Agreement, Gulf Coast shall not be obligated to furnish and CSX shall not be obligated to accept a replacement, and this Agreement shall remain in full force and effect as to such Cars which are delivered in accordance with the terms and conditions hereof.

6. Late Delivery. In the event the delivery of any Car hereunder is delayed beyond the delivery period by reason of acts of God, foreign or domestic embargoes, seizures not due to Gulf Coast's acts or omissions, insurrections, war, riots, civil commotions, strikes, fires, floods, storms, explosions, compliance with any statute, law, regulation, rule, ordinance and/or order

enacted after the execution of this Agreement, or any other cause beyond the control of Gulf Coast affecting delivery, the time for delivery of the Cars so affected shall be extended for the number of calendar days during which the delivery thereof was so delayed.

7. Inspection and Acceptance. Prior to acceptance of each Car, CSX shall be entitled to inspect the Car in order to ensure that it is in Interchange Condition. CSX shall give to Gulf Coast reasonable advance notice of any inspections of the Cars in order to enable Gulf Coast to be present at any such inspections.

In the event CSX determines that any Car is not in Interchange Condition at the time any such Car is delivered to CSX, CSX shall immediately advise Gulf Coast in writing of the specific reasons why such Car is not in Interchange Condition. Upon receipt of any such notice, Gulf Coast shall cause, at its expense, the Car(s) in question to be placed in Interchange Condition and to be placed in CSX's possession at the Delivery Point upon the same terms and conditions set forth herein for all Cars. In the event Gulf Coast disagrees with CSX's determination that a Car is not in Interchange Condition, then Gulf Coast and CSX shall mutually appoint an independent inspector to examine any such Car. Said inspector's decision shall be conclusive upon the parties hereto and the cost of same shall be borne equally by CSX and Gulf Coast.

Failure to advise Gulf Coast in writing within fourteen (14) business days after delivery of each Car, that any such Car is not in Interchange Condition, shall constitute an acceptance

thereof and an acknowledgement that each such Car is in good condition and working order, free from all defects, and is suitable for the purposes for which such Car is to be used by CSX.

Except as otherwise provided in the Lease, all Cars, at the time of acceptance by CSX, will be free and clear of all liens, mortgages, security interests, charges, claims or other encumbrances created by or through Gulf Coast.

8. Selling Price.

(a) The Selling Price for the assignment of the Lease hereunder shall be computed by multiplying U.S. Dollars \$125.00 times the number of Cars accepted by CSX hereunder times the number of months between the Effective Date and July 1, 2001 or the actual return of each Car in accordance with the terms of the Lease, whichever shall occur last. The Selling Price shall be paid, except for the first installment, in monthly installments in advance on the first day of each month at the offices of the Security Trustee, so long as any of the Notes described in the Lease are outstanding, and thereafter at the offices of the Lessor, in each case at the address thereof set forth in the Lease. The installment payment for the first month, or any part thereof, as to each Car, shall be paid on the first day of the month following the date of acceptance of such Car.

The amount of each installment hereunder shall be U.S. Dollars \$125.00 multiplied by the number of Cars which have been accepted by CSX; provided, however, the installment payment owed for the first month and the last month hereof for each Car shall

be prorated on a daily basis. Written notice of each such payment shall be given simultaneously by CSX to Gulf Coast.

(b) In the event CSX should fail to return the Cars as provided in the Lease within sixty (60) days after the expiration thereof, then CSX shall, in addition to any other damages owed under the Lease, and not by way of liquidated damages, be liable for payment of the Fixed Rental, prorated on a daily basis, for each day that any Car is not so redelivered.

9. NO WARRANTIES. AS BETWEEN GULF COAST AND CSX, UPON ACCEPTANCE OF EACH CAR, EACH CAR IS ASSIGNED "AS IS", "WHERE IS", AND "WITH ALL FAULTS", AND GULF COAST EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO EACH CAR, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, AND SPECIFICALLY IN LIEU OF ALL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES. The foregoing shall not be construed as limiting or waiving any warranties accruing to CSX from the Manufacturer of the Cars, if any, by virtue of the Assignment of the Lease.

10. Additional Duties of CSX. (a) In addition to the duties, obligations, and liabilities assumed by CSX by virtue of the Assumption, CSX further agrees that, from the Effective Date through July 1, 2001, and until all of its obligations hereunder and under the Lease have been fully satisfied, it shall:

(i) cause Gulf Coast and General Electric Credit Corporation to be named as additional insureds on all policies of insurance, if any, maintained by it on the Cars;

(ii) simultaneously send to Gulf Coast copies of all correspondence, notices and other communications issued or received by it relating to an Event of Default under or an amendment to the Lease;

(iii) assume all of Gulf Coast's obligations under section five (5) of the Participation Agreement, a copy of which is attached hereto as Exhibit "C"; and

(iv) not commit any act or omission that would cause (1) Gulf Coast to incur liability under the Indemnity Agreement, a copy of which is attached hereto as Exhibit "D" or (2) Mitsui to incur liability under the Guaranty Agreement, a copy of which is attached hereto as Exhibit "E".

(b) CSX also agrees to furnish to Gulf Coast, upon request, any information, documents, certificates or statements that are within CSX's possession, control or knowledge and that are necessary in order to enable Gulf Coast to comply with its obligations under the Indemnity Agreement.

11. Indemnity. From and after the Effective Date hereof, CSX agrees to indemnify, hold harmless and defend Gulf Coast from and against any loss, claim, demand, damage, suit, judgment, cost or expense of any nature (including reasonable attorneys' fees) arising from or relating to (i) any breach by CSX of any duty, obligation, or liability existing under the Lease (except the obligation to pay the Fixed Rental between the Effective Date and the expiration of the term of the Lease), and (ii) any breach of any term or provision contained herein. The foregoing indemnity

shall inure to the benefit of Mitsui in the event that CSX fails to comply with the terms of section 10(a)(iv)(2) hereof.

12. Default by CSX. If CSX defaults at any time in the payment of an installment payment, and such default continues for a period of ten (10) days; or if an Event of Default (as defined in the Lease) shall occur, and such Event of Default did not arise by reason of an act or omission of Mitsui, or from a failure of Gulf Coast to pay the Fixed Rental to the Lessor (unless such failure arose due to non-payment by CSX of an installment payment); or if CSX fails to perform any duty, liability or obligation assumed by virtue of the Assumption, which failure shall not be remedied within the time period set forth in the Lease; or if any type of bankruptcy, insolvency or receivership proceedings, whether voluntary or involuntary, shall be commenced by or against CSX; or if CSX becomes insolvent; or if Gulf Coast deems itself insecure and such insecurity continues after Gulf Coast has given thirty (30) days written notice thereof to CSX; or if any order, judgment or decree is entered against CSX by a court of competent jurisdiction and continues unpaid and in effect for any period of thirty (30) consecutive days without a stay of execution; or if a writ of attachment or execution is levied against any Car or against any property of CSX because of any act or omission of CSX and is not discharged within thirty (30) days thereafter; or if CSX shall commit an event of default under any other agreement with Gulf Coast, and such event of default continues for a period of thirty (30) days, then, in any such event, Gulf Coast may exercise one or more of the following

remedies with respect to the Cars: (a) immediately terminate CSX's rights hereunder; (b) require CSX to return the Cars to Gulf Coast at CSX's expense, and if CSX fails to so comply, Gulf Coast may immediately take possession of the Cars without notice and without court order or legal process (CSX hereby waives any damages occasioned by such taking of possession if CSX was in default hereunder at the time possession was taken); (c) lease or assign the Cars to such persons, at such rental or fee and for such period of time as Gulf Coast shall elect, and Gulf Coast shall apply the proceeds from such leasing or assignment less all costs and expenses, including, but not limited to, reasonable attorneys' fees, incurred in the recovery, repair, storage and renting of such Cars toward the payment of CSX's obligations hereunder (CSX shall remain liable for any deficiency, which, at Gulf Coast's option, shall be paid monthly, as suffered, or immediately, or at the end of the term of the Lease, as damages for CSX's default); (d) bring legal action to recover all installment payments and any other amounts then accrued or thereafter accruing from CSX to Gulf Coast or to the Lessor under any provision hereof or the Lease; (e) exercise with respect to the Cars and CSX any and all remedies accorded to the Lessor under the Lease; and/or (f) pursue any other remedy which Gulf Coast may now or hereafter have at law or in equity.

13. No Remedy Exclusive. No remedy referred to in this Agreement is intended to be exclusive, each shall be cumulative

and in addition to any other remedy referred to herein or otherwise available to Gulf Coast at law or in equity and the exercise or the beginning of exercise by Gulf Coast of any one or more of such remedies shall not preclude the simultaneous or later exercise by Gulf Coast of any or all such other remedies.

Notwithstanding anything to the contrary contained herein, no right or remedy conferred upon Gulf Coast herein shall be deemed in derogation of the Lessor's rights and remedies under the Lease.

14. Waivers. Either Gulf Coast's or CSX's failure to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by the applicable party of any of its rights hereunder. No waiver by either party at any time, express or implied, of any breach of any provision of this Agreement shall be deemed to be a waiver of a breach of any other provision of this Agreement or a consent to any subsequent breach of the same or any other provision. No acceptance by Gulf Coast of any partial payment or performance shall constitute an accord or satisfaction, but shall only be deemed a part payment or performance on account.

15. Alterations. In the event any Alterations have been affixed to any of the Cars prior to delivery to CSX which are owned by Gulf Coast, then (i) Gulf Coast agrees to sell to CSX, and CSX agrees to purchase, the Alterations for a purchase price of \$1.00, and (ii) Gulf Coast shall execute and deliver to CSX a Bill of Sale thereto, without warranties, after all such Cars have been accepted. In the event Gulf Coast should ever re-take

the Cars pursuant to the terms hereof, then (i) CSX agrees to sell to Gulf Coast immediately upon the re-taking thereof, and Gulf Coast agrees to purchase, the Alterations (and any future Alterations made and owned by CSX) for a purchase price of \$1.00, and (ii) CSX shall execute and deliver to Gulf Coast a Bill of Sale thereto, without warranties, immediately upon the re-taking of the Cars.

16. Consents. This Agreement shall not become effective and binding upon the parties hereto unless and until the Lessor and the Security Trustee have consented to the terms of this Agreement by the execution of a written consent in the form attached hereto as Exhibit "F".

17. No Amendments to the Lease. Neither CSX nor Gulf Coast shall be entitled to modify or amend the Lease, or any document relating thereto, without obtaining the prior written consent of the other party.

18. Assignment. Neither CSX nor Gulf Coast shall be entitled to assign its rights under this Agreement, in whole or in part, to any other person or entity, or cause any other person or entity to assume its duties, liabilities, or obligations hereunder, without the prior written consent of the other party, except that (i) Gulf Coast may cause such an assignment or assumption to occur with respect to an Affiliate and (ii) CSX may merge with The Baltimore and Ohio Railroad Company and/or The Chesapeake and Ohio Railway Company. As used herein, the term "Affiliate" shall mean any corporation, entity or person,

directly or indirectly, controlling, controlled by, or under common control with Gulf Coast.

19. Liquidation and Dissolution of Gulf Coast. CSX acknowledges and agrees that at any time following the execution hereof, Gulf Coast shall be entitled to liquidate its assets and/or to dissolve, provided that Gulf Coast has first assigned all of its right, title, and interest in this Agreement, to an Affiliate, and has caused an Affiliate to assume all of its duties, liabilities and obligations under the Lease and this Agreement.

20. Covenant of Guarantor. Mitsui hereby agrees to and with CSX that during the Term of this Agreement, it will commit no act or omission in derogation of the Lease or which would constitute an Event of Default under the Lease.

21. Markings. Upon acceptance of each Car, as provided herein, CSX shall change the road number thereof to a new road number which is registered in CSX's or an affiliate company's name. Such changes in the road numbers of the Cars shall be effected pursuant to the terms of the Lease.

22. Filings. Either Gulf Coast or CSX shall have the right, at its expense, to record this Agreement with the Interstate Commerce Commission.

23. Quiet Enjoyment. Notwithstanding anything to the contrary contained herein, CSX's right of quiet enjoyment of the Cars shall be expressly subject to full performance of the terms and provisions of the Lease by CSX and Gulf Coast.

24. Renewal of Lease. In the event the Lessor and CSX renew the Lease pursuant to sections 18.1 and 18.3 thereof, then, in any such event, Gulf Coast, its successors and assigns, shall have absolutely no liability, responsibility or obligation under the renewed Lease.

25. Security. As additional security for its obligations under the Lease, Gulf Coast hereby assigns, sets over, and transfers to the Lessor and the Security Trustee, their respective successors and assigns, all of its right, title and interest in and to (a) this Agreement, (b) all amounts due from and after the Effective Date under this Agreement, (c) any and all proceeds of any insurance required and/or received under this Agreement, and (d) all products and proceeds of the foregoing; provided, however, that the Lessor and the Security Trustee shall not exercise their rights in regard to this Assignment unless and until a default or Event of Default under the Lease has occurred and is continuing; provided, further, CSX hereby consents to the foregoing assignment.

26. Lease Amendment. Section 11.1(a) of the Lease is hereby amended in its entirety to read as follows:

"The Lessee will, at all times while this Lease is in effect, at its own expense, cause to be carried and maintained types and amounts of insurance that are reasonably satisfactory to the Lessor in respect of the Items of Equipment at the time subject hereto and the use and operation thereof, including without limitation property insurance and public liability insurance, in such amounts and for such risks and with such insurance companies as are consistent with prudent industry practice, but in any event at least comparable to insurance coverage carried by the Lessee in respect of similar equipment owned or leased by it; provided, however, that the Lessee may: (1) self-insure any Item of Equipment to the extent that it self-insures similar equip-

ment owned by it and (2) self-insure against public liability exposure, except for catastrophic loss, both as consistent with prudent industry practice. The Lessee hereby assigns and transfers to the Lessor, the Security Trustee and Gulf Coast Grain, Inc. and their respective successors or assigns, as their interests may appear, all right, title, and interest in and to any insurance proceeds paid under any policy of insurance to the extent such proceeds relate to the Items of Equipment or the use and operation thereof as aforesaid; provided, however, if the Lessee fully complies with all of the provisions of this Section 11.1(a) and, if there is no Event of Default under Section 14 hereof, the Lessee shall be entitled to retain all such proceeds."

27. General Provisions.

(a) Notices. Any notice, request, instruction, or other document given hereunder by any party hereto shall be in writing and delivered by telex, telecopy or other form of electronic communication, personally, or sent by registered or certified mail, return receipt requested, postage prepaid, and if to Gulf Coast, addressed to:

Gulf Coast Grain, Inc.
Suite 103, Box 51
965 Ridge Lake Boulevard
Memphis, Tennessee 38119
Attention: Mr. Randy Tickle
Manager-Rail Transportation

and if to CSX, addressed to:

CSX Transportation, Inc.
100 North Charles Street
Baltimore, Maryland 21201
Attention: Treasury Department S/C
223, Equipment Business
Unit

and if to Mitsui, addressed to:

Mitsui & Co. (U.S.A.), Inc.
Suite 101, Box 81
965 Ridge Lake Blvd.
Memphis, Tennessee 38119
Attention: Mr. Nobuo Ohashi

or to such other addresses as each party shall furnish to the others upon notice in accordance with this subsection. If mailed as aforesaid, notice shall be deemed given when deposited in the United States Mail.

(b) Invalidity or Inapplicability of Clause. If any term, covenant, condition, or provision of this Agreement or the application thereof to any person or circumstances shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition, and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

(c) Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

(d) Entire Agreement. It is expressly understood and agreed by and between the parties that this Agreement sets forth all of the promises, agreements, conditions, inducements, and understandings between them relative to the Cars and that there are no promises, agreements, conditions, understandings, inducements, warranties, or representations, oral or written, expressed or implied, between them other than as herein set forth and this

Agreement shall not be modified in any manner except by an instrument in writing executed by the parties hereto.

(e) Successors or Assigns. Except as herein otherwise expressly provided, the covenants, conditions and agreements contained in this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.

(f) New York Law to Govern. The laws of the State of New York shall (excluding references to principles of conflicts of laws) govern the construction, interpretation, performance and enforcement of this Agreement.

(g) Interest. Monies owed by any party to another party shall bear interest, after said monies have been past due for a period of five (5) days, at a fluctuating rate per annum which at all times is equal to two (2) percent above the prime rate announced or quoted from time to time by Citibank N.A. at its principal office in New York on short-term loans to large businesses with the highest credit standing, each change in the interest rate resulting from a change in the prime rate to become effective simultaneously with such change in the prime rate; provided, however, said interest rate shall be reduced to the extent it exceeds the maximum amount permitted by applicable law; and, provided, further, this provision does not supercede the interest rate provision set forth in the Lease for amounts owed thereunder by any party hereto, which provision shall remain applicable to

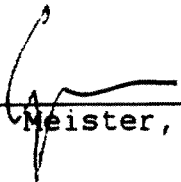
and in full force and effect as to each party hereto as to any monetary obligations any such party may have under the Lease.

(h) Sections and Other Headings. The sections and other headings contained in this Agreement are for reference purposes only and shall not affect the interpretation or meaning of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused their respective representatives thereunto duly authorized to execute this Agreement as of the date first above written.


[SEAL]
ATTEST:

By:


C. J. Meister, Secretary

GULF COAST GRAIN, INC.

By:


Nobuo Ohashi, President

[SEAL]
ATTEST:

By:


Patricia J. Hunn, Secretary

CSX TRANSPORTATION, INC.

By:


Douglas W. Light, Vice President -
CSX Equipment


[SEAL]
ATTEST:

By:


T. NISHI, Secretary

MITSUI & CO. (U.S.A.), INC.

By:


Teruo Kito, Senior Vice
President

GUARANTY

Mitsui & Co. (U.S.A.), Inc. hereby (i) unconditionally guarantees the performance of all of Gulf Coast Grain, Inc.'s, and its successors and assigns, obligations and responsibilities under the Assignment and Assumption of Equipment Lease between the above parties dated as of March 10, 1987, covering 148 covered hopper cars, and (ii) reaffirms the Guaranty Agreement dated as of November 1, 1980, with the same force and effect as if it were fully set forth herein.


[SEAL]
ATTEST:

MITSUI & CO. (U.S.A.), INC.

By:


T. NISHI Asst. Secretary

By:


Teruo Kito, Senior Vice
President

STATE OF TENNESSEE)
) SS
COUNTY OF SHELBY)

On this 4th day of March, 1987, before me personally appeared Nobuo Ohashi, to me personally known, who being by me duly sworn, says that he is President of GULF COAST GRAIN, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sandy Spell
Notary Public

[NOTARIAL SEAL]

My Commission Expires June 19, 1988

My Commission expires: _____

STATE OF MARYLAND)
) SS
~~CITY~~
COUNTY OF BALTIMORE)

On this 11th day of March, 1987, before me personally appeared DOUGLASS W. LIST, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT - CSX Equipment of CSX TRANSPORTATION, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

William J. Klein
Notary Public

[NOTARIAL SEAL]

My Commission expires: July 1, 1990

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

On this 24 day of March, 1987, before me personally appeared T. KITO, to me personally known, who being by me duly sworn, says that he is the SENIOR VICE PRESIDENT of MITSUI & CO. (U.S.A.), INC., that one of the seals affixed to the foregoing instruments is the corporate seal of said corporation, that said instruments were signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instruments was the free act and deed of said corporation.

Keith F. Ewing
Notary Public

[NOTARIAL SEAL]

My Commission expires: _____

KEITH F. EWING
NOTARY PUBLIC, State of New York
No. 31-47-3715
Qualified in New York County
Commission Expires March 30, 1987

EXHIBIT "A"

List of Hopper Cars

GCGX 335 - 344, 347, 351 - 357, 359 - 361, 368, 372 - 378, 380 - 455, and 457 - 499.

EQUIPMENT LEASE

Dated as of November 1, 1980

Between

FIRST SECURITY BANK OF UTAH, N.A.,
as Trustee

LESSOR

And

GULF COAST GRAIN, INC.,

LESSEE

(Gulf Coast Trust No. 80-1)
(150 100 ton Covered Hopper Cars)

Filed and Recorded with the
Interstate Commerce Commission
on December 19, 1980, at 9:25 A.M.
and given Recordation No. 12595.

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SCHEDULES

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EQUIPMENT LEASE

THIS EQUIPMENT LEASE dated as of November 1, 1980 between FIRST SECURITY BANK OF UTAH, N.A., a national banking association (the "Lessor"), not individually but solely as trustee (the "Trustee") under a Trust Agreement dated as of November 1, 1980 (the "Trust Agreement") with GENERAL ELECTRIC CREDIT CORPORATION, a New York corporation (the "Trustor") and GULF COAST GRAIN, INC., a Delaware corporation (the "Lessee");

R E C I T A L S:

A. Pursuant to a Purchase Order Assignment dated as of November 1, 1980, the Lessee has assigned to the Lessor its right to purchase the Equipment referred to below.

B. The Lessee and the Lessor intend to enter into a Participation Agreement dated as of November 1, 1980 (the "Participation Agreement") with the Trustor, Mitsui & Co. (U.S.A.), Inc. (the "Guarantor"), The Connecticut Bank and Trust Company, as security trustee (the "Security Trustee") and Connecticut General Life Insurance Company (the "Note Purchaser") providing commitments of the Trustor and the Note Purchaser which will permit the Lessor to obtain the funds necessary to purchase the equipment (collectively the "Equipment" and individually an "Item of Equipment") described in Schedule A hereto and made a part hereof. The Trustor will commit to advance to the Lessor an amount equal to 41.0531% of the Purchase Price of each Item of Equipment (as defined in the Participation Agreement) and the Note Purchaser will commit to purchase the Secured Notes (the "Notes") of the Lessor in an aggregate amount equal to 58.9469% of the Purchase Price of each Item of Equipment and the Guarantor will commit to guarantee pursuant to a Guaranty Agreement dated as of November 1, 1980 (the "Guaranty Agreement") the due performance and observance by the Lessee in a timely manner of each of the Lessee's obligations under this Lease, the Indemnity Agreement (as defined in the Participation Agreement) and the Participation Agreement. It is contemplated that the Participation Agreement will provide that the Notes will be secured by an assignment of the Lessor's right, title and interest in and to this Lease and in and to the Equipment pursuant to a Security Agreement-Trust Deed dated as of November 1, 1980 (the "Security Agreement") from the Lessor to the Security Trustee. Any capitalized term not defined herein shall have the meaning specified in the Participation Agreement.

SECTION 1. LEASE AND DELIVERY OF EQUIPMENT.

1.1. Intent to Lease and Hire. Upon delivery of each Item of Equipment by Trinity Industries, Inc. (the "Manufacturer"), the Lessee shall lease and let and the Lessor shall hire to the

Lessee such Item of Equipment for the rental and on and subject to the terms and conditions herein set forth.

1.2. Inspection and Acceptance. The Lessor will cause each Item of Equipment to be tendered to the Lessee at the place of delivery set forth in Schedule A. Upon such tender, the Lessee, as agent for the Lessor, will cause an inspector designated and authorized by the Lessee to inspect the same, and, if such Item of Equipment is found to be in good order, to accept delivery of such Item of Equipment and to execute and deliver to the Lessor and the Manufacturer a Certificate of Acceptance (the "Certificate of Acceptance") in the form attached hereto as Schedule B with respect to such Item of Equipment; provided, however, that the Lessee shall not accept any Item of Equipment delivered after January 31, 1981 unless the Lessor shall have so directed the Lessee in writing to accept delivery thereof. The Lessee's authority to accept any Item of Equipment under this Section 2 shall terminate (i) if acceptance of such Item of Equipment would cause the aggregate purchase price of all Items of Equipment accepted to that time to exceed \$6,616,124 or (ii) if as of the date of acceptance the Lessee has reason to believe any of the conditions set forth in Section 4 of the Participation Agreement have not been complied with as if such documents or conditions were required to be made as of the delivery date of such Item of Equipment.

1.3. Certificate of Acceptance. The Lessee's execution and delivery of a Certificate of Acceptance with respect to each Item of Equipment pursuant to Section 1.2 hereof shall conclusively establish that, as between the Lessor and the Lessee, but without limiting or otherwise affecting the Lessee's or the Lessor's rights, if any, against the Manufacturer, such Item of Equipment is acceptable to and accepted by the Lessee under this Lease, notwithstanding any defect with respect to design, manufacture, condition or in any other respect, and that such Item of Equipment is in good order and condition and appears to conform to the specifications applicable thereto and to all applicable United States Department of Transportation and Interstate Commerce Commission requirements and specifications, if any, and to all standards recommended by the Association of American Railroads applicable to new railroad equipment of the character of the Equipment as of the date of this Lease. By execution and delivery of such Certificate of Acceptance, the Lessee represents that it has no knowledge of any such defect.

SECTION 2. RENTALS AND PAYMENT DATES.

2.1. Rent for Equipment. The Lessee agrees to pay the Lessor the following rent for the Equipment:

(a) Interim Rental. For each Item of Equipment, delivered and accepted hereunder on or prior to December 31, 1980, an amount per day equal to 0.02411% of the Purchase Price thereof and for each Item of Equipment delivered and accepted hereunder following such date, an amount per day equal to 0.02623% of the Purchase Price thereof (the "Interim Rental"), in each such case for the period, if any, from and including the Closing Date for such Item of Equipment to and including July 1, 1981 (the "Term Lease Commencement Date").

(b) Fixed Rental. (1) For each Item of Equipment, 240 consecutive monthly installments of fixed rental, payable in arrears. For each Item delivered and accepted hereunder on or prior to December 31, 1980, the first 117 monthly Fixed Rental payments shall each be in an amount equal to 0.7230% of the Purchase Price for such Item of Equipment, and the next 123 Fixed Rental payments shall each be in an amount equal to 0.8830% of the Purchase Price thereof. For each Item delivered and accepted hereunder following such date, the first 117 monthly Fixed Rental payments shall each be in an amount equal to 0.7867% of the Purchase Price thereof and the next 123 Fixed Rental payments shall each be in an amount equal to 0.9615% of the Purchase Price thereof. The fixed rentals provided for in this Section 2.1(b) are hereinafter referred to as "Fixed Rentals".

2.2. Rent Payment Dates. Installments of Interim Rental shall be payable on February 1, 1981 and thereafter on the first day of each month commencing March 1, 1981 to and including July 1, 1981. The installments of Fixed Rental for each Item of Equipment shall be due and payable on August 1, 1981 and thereafter on the first day of each of the 239 months thereafter. If any of the rent payment dates is not a business day, the rent payment otherwise payable on such date shall be payable on the next succeeding business day. For purposes of this Lease, the term "business day" means calendar days, excluding Saturdays, Sundays and holidays on which banks in the State of Utah or New York are authorized or required to close.

2.3. Place and Manner of Rent Payment. The payments to be made by the Lessee under this Lease shall be made as follows:

(a) Each installment of Interim Rental and Fixed Rental and each payment of Casualty Value (as defined in Section 11.6 hereof) shall be paid, so long as any of the Notes are outstanding, to the Security Trustee at the principal office of the Security Trustee, and thereafter to the Lessor at the principal office of the Lessor, in each case at the address thereof provided for payments in Section 20.2 hereof; provided that in the event either the Lessor or the Security Trustee shall notify the Lessee in writing that the right to receive payment of any such installment shall have been otherwise assigned in accordance with Section 16 hereof, the Lessee

shall make such payment to the place designated in such notice or as otherwise designated from time to time in writing by such assignee; and provided further that in the event any notice shall direct the Lessee to divide such installment into not more than two portions, and to pay each portion separately to not more than two parties, the Lessee agrees to do so;

(b) The amount of any payment owing to the Lessor or the Trustor pursuant to Sections 6, 10.2, 11.1 (with respect to public liability insurance) and 20.3 hereof shall be made directly to the party to receive the same without regard to the assignment of this Lease pursuant to Section 16 hereof;

(c) The amount of any interest due in respect of the late payment of any rentals or other amounts pursuant to Section 19 hereof shall be paid to the party and in the manner herein provided to receive said rental or other amount; and

(d) All payments other than those above specified shall be made by the Lessee directly to the party to receive the same unless any such payment has previously been made by the Lessor or its assignee, in which case the Lessee shall reimburse the Lessor or its assignee, as the case may be, directly for such payment.

The Lessee agrees that it will make all payments due to the Lessor or its assigns or the Trustor under paragraphs (a) and (b) above, and such payments due to the Lessor or its assigns under paragraph (c) above as are related to payments under such paragraph (a), by Federal funds wire transfer by 12:00 noon on the due date of such payment of Federal or otherwise immediately available funds to such place of payment in the continental United States as shall be designated by the party to whom such payment is to be made. All other payments hereunder shall be made by check of the Lessee drawn on a bank located in the continental United States and mailed to the party to receive the same at the address herein provided or such other address as the Lessee shall have been previously advised in writing.

2.4. Net Lease. This lease is a net lease and the Lessee's obligation to pay all Interim Rental and Fixed Rental and other amounts payable hereunder shall be absolute and unconditional under any and all circumstances and, without limiting the generality of the foregoing, the Lessee shall not be entitled to any abatement of rent or reduction thereof or setoff against rent, including, but not limited to, abatements, reductions, recoupments or setoffs due or alleged to be due by reason of any past, present or future claims or counterclaims of the Lessee against the Lessor or the Trustor under this Lease or otherwise or against any assignee of the Lessor pursuant to Section 16 hereof; nor, except as otherwise expressly provided herein, shall

this Lease terminate, or the respective obligations of the Lessor or the Lessee be otherwise affected, by reason of any defect in or damage to or loss or destruction of all or any of the Equipment from whatsoever cause, any liens, encumbrances or rights of others with respect to any Item of Equipment, the taking or requisitioning of the Equipment by condemnation or otherwise, the lawful prohibition of the Lessee's use of the Equipment, the interference with such use by any private person or corporation, the invalidity or unenforceability or lack of due authorization or other infirmity of this Lease, or lack of right, power or authority of the Lessor or the Lessee to enter into this Lease, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by the Lessee hereunder shall continue to be payable in all events unless the obligation to pay the same shall be terminated pursuant to Section 11 hereof, or until, pursuant to Section 13 hereof, the Equipment has been returned to the possession of the Lessor (for all purposes of this Lease any Item of Equipment shall not be deemed to have been returned to the Lessor's possession until all of the Lessee's obligations with respect to the return, transportation and storage thereof have been performed). To the extent permitted by applicable law, the Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease of any of the Items of Equipment except in accordance with the express terms hereof. Each rental or other payment made by the Lessee hereunder shall be final and the Lessee shall not seek to recover all or any part of such payment from the Builder (except for warranty payments due from the Builder in respect of events, as to which the Lessee has made (is or will be obligated to make) corresponding payments), the Lessor, the Trustor, the Security Trustee or any assignee pursuant to Section 16 hereof for any reason whatsoever.

2.5. Lessee's Reservation of Right to Claims. Subject to the provisions of Section 20.1 hereof, neither the provisions of Section 2.4 hereof nor any other provisions of this Agreement shall prohibit the Lessee from proceeding against the Lessor or from the bringing of a suit against the Lessor and the obtaining of a judgment or from execution upon any such judgment against the Lessor or its property other than by abatements or reductions against sums payable hereunder or by setoffs or counterclaims under this Lease as prohibited by Section 2.4 hereof.

SECTION 3. TERM OF THE LEASE.

The term of this Lease as to each Item of Equipment shall begin on the date of the delivery to and acceptance by the Lessee of such Item of Equipment and, subject to the provisions of Sections 11, 14 and 18 hereof, shall terminate on July 1, 2001. The obligations of the Lessee under Sections 2, 6 (except as otherwise provided in subsection 6.2), 8, 9, 10, 11, 13, 15 and 19 hereof shall survive the expiration or termination of the

term of this Lease and the full payment of all amounts payable under this Lease.

SECTION 4. OWNERSHIP AND MARKING OF EQUIPMENT.

4.1. Retention of Title. The Lessor, as between the Lessor and the Lessee, shall and hereby does retain full legal title to the Equipment notwithstanding the delivery thereof to and possession and use thereof by the Lessee.

4.2. Duty to Number and Mark Equipment. The Lessee will, at its own expense, cause each Item of Equipment to be kept numbered with its road number as set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon each side of each Item of Equipment in letters not less than one inch in height as follows:

"Ownership Subject to a Security Agreement recorded with the Interstate Commerce Commission".

with appropriate changes thereof and additions thereto as from time to time may be required by law or reasonably requested in order to protect the title of the Lessor to such Item of Equipment, its rights under this Lease and the rights of any assignee under Section 16 hereof. The Lessee will not place any such Item of Equipment in operation or exercise any control or dominion over the same until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Lessee will not change the road number of any Item of Equipment unless said change is required by applicable law or industry rules and, further, unless and until (i) a statement of the new road number or numbers to be substituted therefor shall have been filed with the Trustee and the Security Trustee and filed, recorded or deposited in all public offices where this Lease and the Security Agreement have been filed and (ii) the Lessee shall have furnished the Trustee and the Security Trustee an opinion of counsel, which counsel may be designated by the Lessee and shall be satisfactory to the Lessor, to the effect that the statement has been so filed, such filing will protect the Trustee's and the Security Trustee's interest in such Items of Equipment, and no filing with or giving notice to any other Federal, state or local government or agency thereof is necessary to protect such interests of the Trustee and the Security Trustee.

4.3. Prohibition Against Certain Designations. Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership.

SECTION 5. DISCLAIMER OF WARRANTIES.

THE LESSOR LEASES THE EQUIPMENT, AS-IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, BY EITHER THE LESSOR OR THE TRUSTOR, EACH EXPRESSLY DISCLAIMING ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT OR ANY COMPONENT THEREOF, (B) THE LESSOR'S TITLE THERETO, (C) SUBJECT TO SECTIONS 2.5 AND 20.4 HEREOF, THE LESSEE'S RIGHT TO THE QUIET ENJOYMENT THEREOF, (D) THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT OR ANY COMPONENT THEREOF, OR (E) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE LESSOR AND THE LESSEE, ARE TO BE BORNE BY THE LESSEE. The Lessor hereby appoints and constitutes the Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce, including instituting suits, actions and proceedings, from time to time, in the name and for the account of the Lessor and the Lessee, as their interests may appear, but in all cases at the sole cost and expense of the Lessee, whatever claims and rights the Lessor may have as owner of the Equipment against the Manufacturer or a third party, and, so long as no Event of Default has occurred and is continuing the Lessee (subject to any requirements of indemnification under this Lease) may retain the proceeds of any such claims, suits, actions and proceedings; provided, however, that if at any time an Event of Default shall have occurred and be continuing, the Lessor may assert and enforce, at the Lessee's sole cost and expense, such claims and rights. The Lessor shall have no responsibility (except as set forth in Section 17.1 hereof) or liability to the Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Item of Equipment or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Item of Equipment or any risks relating thereto; (iii) subject to Sections 2.5 and 20.4 hereof, any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Item of Equipment. The Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between the Lessee and the Lessor that all Items of Equipment described therein are in all the foregoing respects satisfactory to the Lessee, and the Lessee will not assert any claim of any nature whatsoever against the Lessor based on any of the foregoing matters; provided, however, that the delivery of a Certificate of Acceptance shall not affect or impair any of the Lessee's rights set forth above against the Manufacturer or a third party.

SECTION 6. LESSEE'S INDEMNITY.

6.1. Scope of Indemnity. The Lessee shall defend, indemnify and save harmless the Lessor, in both its individual and fiduciary capacities, the Trustor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) and their respective successors and assigns from and against:

(a) any and all loss or damage to the Equipment, usual wear and tear excepted; and

(b) any claim, cause of action, damages, liability, cost or expense (including, without limitation, reasonable counsel fees and costs in connection therewith but excluding all costs and expenses which the Trustor has agreed to pay or cause to be paid pursuant to Section 2.6 of the Participation Agreement) which may be incurred in any manner by or for the account of any of them (i) relating to any Item of Equipment or any part thereof, including, without limitation, the construction, purchase, delivery, acceptance, rejection, ownership, sale, leasing, return or storage of any Item of Equipment or as a result of the use, maintenance, repair, replacement, operation or the condition thereof (whether defects are latent or discoverable by the Lessee or any indemnified party), (ii) by reason or as the result of any act or omission (whether negligent or otherwise) of the Lessee for itself or as agent or attorney-in-fact for the Lessor hereunder, (iii) as a result of claims for patent, trademark or copyright infringements, (iv) as a result of claims for negligence or strict liability in tort, (v) by reason of any injury to or the death of any person or any damage to or loss of property on or near any Items of Equipment or in any manner arising or alleged to arise out of the ownership, use, replacement adaptation or maintenance of any Item of Equipment or of any other equipment in connection with any Item of Equipment (whether owned or under the control of the indemnified person, the Lessee or any other person) or resulting or alleged to result from the condition of any thereof, (vi) by reason of any violation or alleged violation of any provision of this Lease or of any agreement, law, rule, regulation, ordinance or restriction, affecting or applicable to any Item of Equipment or the leasing, ownership, use, replacement, adaptation or maintenance thereof, except to the extent any such violation arises from the gross negligence or willful misconduct of the Lessor, or (vii) any claim arising out of any of the Lessor's obligations under the Security Agreement or the Security Trustee's retention of a security interest under the Security Agreement or the Participation Agreement except to the extent such claim arises from the gross negligence or willful misconduct of such indemnified person (all such matters called "Indemnified Matters"). The Lessee shall be obligated under this Section 6.1, whether or not any indemnified

person shall also be indemnified with respect to any Indemnified Matter under any other agreement by any other person, and the indemnified person may proceed directly against the Lessee under this Section 6.1 without first resorting to any such other rights of indemnification. In case any action, suit or proceeding is brought against any indemnified person in connection with any Indemnified Matter, the Lessee may and, upon such indemnified person's request, will at the Lessee's expense defend such action, suit or proceeding. In the event Lessee is required to make any indemnification under this Section 6, the Lessee shall pay such indemnified person an amount which, after deduction of all taxes required to be paid by such indemnified person in respect of the receipt thereof under the laws of the United States or of any political subdivision thereof (after giving credit for any savings in respect of any such taxes by reason of deductions, credits or allowances in respect of the payment of the expense indemnified against and of any other such taxes as determined in the sole discretion of the indemnified person), shall be equal to the amount of such payment. The Lessee and the Lessor each agrees to give the other promptly upon obtaining knowledge thereof written notice of any claim hereby indemnified against. Upon the payment in full by the Lessee of any indemnities as contained in this Section 6 and provided that no Event of Default (or other event which with notice or lapse of time or both would constitute an Event of Default) shall have occurred and be continuing, the Lessee shall be subrogated to any right of such indemnified person in respect of such Indemnified Matter. Any payments received by such indemnified person from any person (except the Lessee) as a result of any Indemnified Matter with respect to which such indemnified person has been indemnified by the Lessee pursuant to this Section 6.1 shall be paid over to the Lessee to the extent necessary to reimburse the Lessee for its indemnification payments previously made.

The indemnities and assumptions of liabilities set forth in this Section 6.1 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

6.2. Indemnification of Third Party Beneficiaries. The Lessee further agrees to indemnify, protect and hold harmless the Lessor, the Note Purchaser, the Security Trustee, the Trustor and the Manufacturer as third-party beneficiaries hereof from and against any and all liability, claims, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against any such party because of the use in or about the construction or operation of any of the Items of Equipment or material specified by the Lessee and not manufactured by the Manufacturer or of any design, system, process, formula or

combination specified by the Lessee and not developed or purported to be developed by the Manufacturer which infringes or is claimed to infringe on any patent or other right. The Lessee will give notice to the Manufacturer of any claim known to the Lessee from which liability may be charged against the Manufacturer.

6.3. Continuation of Indemnities and Assumptions. The indemnities and assumptions of liability in this Section 6 contained shall continue in full force and effect notwithstanding the termination of this Lease, or the termination of the term hereof in respect of any one or more Items of Equipment, whether by expiration of time, by operation of law or otherwise.

SECTION 7. RULES, LAWS AND REGULATIONS.

The Lessee agrees for the benefit of the Lessor, the Trustor, the Security Trustee and the Note Purchaser to comply with all governmental laws, regulations, requirements and rules (including, without limitation, the rules of the United States Department of Transportation and the Interstate Commerce Commission) with respect to the use and maintenance of each Item of Equipment subject to this Lease in order to comply with health, safety or environmental standards. In case any equipment or appliance is required to be altered, added, replaced or modified on any Item of Equipment in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such alterations, additions, replacements and/or modifications at its own expense. Any alteration, replacement, addition or modification to any Item of Equipment made pursuant to this Section 7 or Section 8 hereof (the "Alterations") shall be owned by the Lessee (or such other party as may have title thereto), except to the extent such Alterations are described in the following sentence. Any and all parts installed on and additions and replacements made to any Item of Equipment (i) which are not readily removable without causing material damage to such Item or were installed or were added to such Item in contravention of the provisions contained hereinabove or which are not removed by the Lessee prior to surrendering possession thereof pursuant to the provisions of Section 13 hereof, (ii) the cost of which is included in the Purchase Price with respect to such Item, (iii) in the course of ordinary maintenance of the Equipment or (iv) which are required for the operation or use of such Item by the regulations of the Interstate Commerce Commission, the United States Department of Transportation or any other regulatory body, shall constitute accessions to such Item and full ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in the Lessor; provided, however, that no adjustment in rentals shall result therefrom; and provided, further, however, that the Lessee may, in good faith, contest the validity or application of any such law, regulation, requirement or rule in any reasonable manner which does not, in the opinion of the Lessor or the Security Trustee, adversely affect the property or rights of the Lessor or the Security Trustee under this Lease or under the Security Agreement.

SECTION 8. USE AND MAINTENANCE OF EQUIPMENT.

The Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Lessee shall, at its own cost and expense, maintain and keep, or cause to be maintained and kept, the Equipment in good order, condition and repair, ordinary wear and tear excepted, in accordance with the recommendations of the Manufacturer, the American Association of Railroads and the Federal Railway Administration and, in any event, comparable to the maintenance of similar equipment owned or leased by it and suitable for use in interchange in accordance with the current Interchange Rules or supplements thereto of the Mechanical Division, Association of American Railroads as the same may be in effect from time to time. Except as required by the provisions of Section 7 hereof, the Lessee shall not modify any Item of Equipment without the prior written authority and approval of the Lessor and any assignee pursuant to Section 16 hereof which shall not be unreasonably withheld; provided that, notwithstanding the foregoing, the Lessee shall make no additions or improvements to any Item of Equipment unless the same are (i) readily removable without causing material damage to such Item of Equipment, or (ii) permitted to be made pursuant to the provisions of Section 4(4).03 of Rev. Proc. 75-21, 1975-1 C.B. 715, as amended by Rev. Proc. 79-48, 1979-2 C.B. 529, and as it may be further amended from time to time. Title to any such readily removable additions or improvements shall remain with the Lessee. If the Lessee shall at its cost cause such readily removable additions or improvements to be made to any Item of Equipment, the Lessee agrees that it will, prior to the return of such Item of Equipment to the Lessor hereunder, remove the same at its own expense without causing material damage to such Item of Equipment and repair all damages, if any, resulting from such removal.

SECTION 9. LIENS ON THE EQUIPMENT.

The Lessee shall pay or satisfy and discharge any and all claims against, through or under the Lessee and its successors or assigns which, if unpaid, might constitute or become a lien or a charge upon any Item of Equipment, and any liens or charges which may be levied against or imposed upon any Item of Equipment as a result of the failure of the Lessee to perform or observe any of its covenants or agreements under this Lease and any other liens or charges which arise by virtue of claims against, through or under any other party other than the Lessor, the Trustor and the Security Trustee not arising from the transactions contemplated hereby, but the Lessee shall not be required to pay or discharge any such claims which are not at the time due or so long as it shall, in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner which will not affect or endanger the title and interest of the Lessor or the

security interest or other rights of any assignee under Section 16 hereof in and to the Equipment. The Lessee's obligations under this Section 9 shall survive the termination of this Lease.

SECTION 10. FILING; PAYMENT OF TAXES.

10.1. Filing. Prior to the delivery and acceptance of the first Item of Equipment hereunder, the Lessee will cause this Lease and the Security Agreement to be duly filed, registered or recorded with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303 and in such other places within or without the United States as the Lessor or the Security Trustee may reasonably request and will furnish the Lessor and the Security Trustee proof thereof. The Lessee will, from time to time, do and perform any other act and will execute, acknowledge, deliver, file, register and record (and will refile, reregister or rerecord whenever required) any and all further instruments required by law or reasonably requested by the Lessor or the Security Trustee, for the purpose of protecting the Lessor's title to, or the Security Trustee's security interest in, any Item of Equipment to the satisfaction of the Lessor's or the Security Trustee's counsel or for the purpose of carrying out the intention of this Lease, and in connection with any such action, will deliver to the Lessor and the Security Trustee proof of such filings and an opinion of the Lessee's counsel reasonably satisfactory to the Lessor and the Security Trustee that such action has been properly taken. The Lessee will pay all costs, charges and expenses incident to any such filing, refiling, recording and rerecording or depositing and redepositing of any such instruments or incident to the taking of such action.

10.2. Payment of Taxes. All payments to be made by the Lessee hereunder will be free of expense to the Lessor, in both its individual and fiduciary capacities, the Trustor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) and their respective successors and assigns (the "Indemnitees") for collection or other charges and will be free of expense to the Indemnitees with respect to any Impositions as hereinafter defined, and the Lessee hereby assumes responsibility for, and agrees to pay, hold harmless and indemnify the Indemnitees against, all such Impositions and collection or other charges. As used in this Section 10.2 "Impositions" shall mean the amount of any local, state, Federal or foreign taxes, fees, withholdings, levies, imposts, duties, assessments, charges, license and registration fees and other governmental charges of any nature whatsoever, either domestic or foreign, including without limitation penalties, fines, additions to tax and interest thereon, however imposed, imposed on, incurred by or asserted against any Indemnitee or the Equipment or any part or portion thereof on account of, or with respect to, this Lease, or the Participation Agreement or any document referred to herein or therein or any of the transactions contemplated hereby or thereby or the manufacture,

purchase, acquisition, acceptance or rejection of the Equipment or any part or portion thereof or the ownership, delivery, non-delivery, leasing, re-leasing, subleasing, possession, use, operation, maintenance, repair, condition, sale, return, abandonment or other application or disposition of the Equipment or any thereof or any indebtedness with respect thereto or the rentals, receipts, earnings or gains arising therefrom; provided, however, that Impositions shall not include as to each respective Indemnitee (i) any taxes imposed on or measured by any trustee or agency fees received by the Lessor or the Security Trustee, (ii) Federal income taxes measured solely by net income or excess profits of the Lessor (in its individual capacity), the Trustor, the Security Trustee or the Note Purchaser, or (iii) taxes measured solely by net income or excess profits of, and franchise taxes imposed on, the Lessor (in its individual capacity), the Trustor, the Security Trustee or the Note Purchaser, or their successors and assigns by the respective entity's state of incorporation or state where its principal place of business is located; provided, however, that, notwithstanding the preceding proviso, the Lessee will indemnify the Indemnitees for any taxes arising out of or imposed in respect of indemnification payments pursuant to this Lease. The Lessee shall pay all Impositions for which it assumes liability hereunder when such Impositions are due and will indemnify each Indemnitee to the extent required by this Section 10.2 not later than the 10th day of the month immediately following receipt of a written request by such Indemnitee for indemnification specifying the amount to be paid, the basis on which such amount was determined and the nature of the Impositions in question. The Lessee will keep at all times all and every part of the Equipment free and clear of all Impositions which might in any way affect the title or interests of the Manufacturer or result in a lien upon any part of the Equipment; provided, however, that the Lessee shall be under no obligation to pay any Impositions so long as they have not become due and payable and so long as the Lessee is contesting in good faith and by appropriate legal proceedings such Impositions and the nonpayment thereof does not, in the reasonable opinion of any Indemnitee, adversely affect the interest of such Indemnitee hereunder or under the Security Agreement; and provided further that, if the Lessee shall have paid such Imposition, the Lessee shall be entitled to the proceeds from any such legal proceedings. The Lessee agrees to give the Lessor and the Security Trustor notice of such contest within 30 days after institution thereof and the Lessor agrees to provide such information as may be reasonably requested by the Lessee and the Agent in furtherance of such contest. If any Tax shall have been charged or levied against the Lessor directly and paid by the Trustor, the Lessee shall reimburse the Lessor not later than the 10th day of the month immediately following presentation of an invoice therefor.

In the event that the Lessor shall become obligated to make any payment to the Manufacturer or otherwise pursuant to any corresponding provision of the Purchase Order not covered by the foregoing paragraph of this Section 10.2, the Lessee shall pay

such additional amounts (which shall also be deemed Impositions hereunder) to the Lessor as will enable the Lessor to fulfill completely its obligations pursuant to said provision.

In the event any returns, statements or reports with respect to Impositions are required to be made, the Lessee will make such returns, statements and reports in such manner as to show the interest of the Lessor and the Manufacturer in the Equipment; provided, however, that the Lessor shall, with respect to any state or political subdivision thereof of the United States of America, file such returns, statements and reports relating to sales or use taxes, and taxes, fees and charges on or measured by the Lessor's earnings or gross receipts arising from the Equipment, or the value added by the Lessor thereto, as the Lessee shall determine are required to be filed, and as shall be prepared by the Lessee, and the Lessor shall remit the amounts thereof upon payment by the Lessee to the Lessor (such payment to be made forthwith upon demand by the Lessor therefor) of such taxes, fees and charges except as provided above. All costs and expenses (including legal and accounting fees) of preparing such returns or reports shall be borne by the Lessee.

To the extent that the Lessor has information necessary to the preparation of such returns, statements and reports, it will furnish such information to the Lessee. To the extent that the Lessee may be prohibited by law from performing in its own name the duties required by this Section 10.2, the Lessor hereby authorizes the Lessee to act in the Lessor's own name and on its behalf; provided, however, that the Lessee shall indemnify and hold the Lessor (in both its individual and trust capacities) and the Trustor harmless from and against any and all claims, costs, expenses, damages, losses and liabilities incurred in connection therewith as a result of, or incident to, any action by the Lessee pursuant to this authorization.

The Lessee shall, whenever reasonably requested by the Lessor, submit to the Lessor copies of returns, statements, reports, billings and remittances, or furnish other evidence satisfactory to the Lessor, of the Lessee's performance of its duties under this Section 10.2. The Lessee shall also furnish promptly upon request such data as the Lessor reasonably may require to permit the Lessor's compliance with the requirements of taxing jurisdictions.

The Lessee agrees to pay all amounts due under this Section 10.2 free of any Impositions and to indemnify each Indemnatee against any Impositions by reason of any payment made by the Lessee so that the Indemnatee to whom or for whose benefit the payment is made shall receive an amount which, net of any Impositions or other charges required to be paid by such Indemnatee in respect thereof, shall be equal to the amount of payment otherwise required hereunder. Without limiting the foregoing, the amount which the Lessee shall be required to pay with respect to any Impositions subject to indemnification under this Section

10.2 shall be an amount sufficient so that, after considering the tax effects of the Impositions in question and the receipt of indemnification payments hereunder, the Indemnatee will have the same after-tax economic and accounting yields and cash flows as such Indemnatee would have realized had such Impositions not been incurred or imposed.

In the event that, during the continuance of this Lease, any Imposition accrues or becomes payable or is levied or assessed (or is attributable to the period of time during which this Lease is in existence) which the Lessee is or will be obligated to pay or reimburse, pursuant to this Section 10.2, such liability shall continue, notwithstanding the expiration of this Lease, until all such Impositions are paid or reimbursed by the Lessee.

SECTION 11. INSURANCE; PAYMENT FOR CASUALTY OCCURRENCE.

11.1. Insurance. (a) The Lessee will at all times prior to the return of the Items of Equipment to the Lessor, at its own expense, cause to be carried and maintained public liability insurance providing coverage of not less than \$10,000,000 with respect to third-party personal injury and property damage and will cause to be carried and maintained property insurance in respect of the Items of Equipment at the time subject hereto providing coverage of not less than the aggregate Casualty Value of the Items of Equipment. The Lessee will carry such insurance in such amounts, for such risks, with such deductibles and with such insurance companies, satisfactory to the Trustee, the Lessor and the Security Trustee and in any event consistent with prudent industry practice and at least comparable in amounts and against risks customarily insured against by the Lessee in respect of equipment owned or leased by it similar in nature to the Items of Equipment. All policies with respect to such insurance shall name the Trustor, the Lessor (both in its individual and trust capacity) and the Security Trustee as coinsureds or additional named insureds and (except in the case of liability insurance) as loss payees, with proceeds thereof payable to the Lessor, any assignee thereof pursuant to Section 16 hereof, the Trustor and the Lessee as their interests shall appear; provided that in the event any casualty insurance shall be in effect with respect to the Equipment prior to the payment in full of all principal and interest on the Notes, all payments thereunder shall be made to the Security Trustee under a standard mortgage loss payable clause. All policies with respect to such insurance shall provide for at least 30 days' prior written notice by the insurance carrier to the Lessor, the Trustor and the Security Trustee in the event of cancellation, expiration, material change in coverage or amendment (and the Lessee shall provide 30 days' prior written notice to the Lessor, the Trustor and the Security Trustee in any such event), shall include waivers by the insurer of all claims for premiums against the Lessor, the Trustor and the Security Trustee and shall provide (without prejudice to the rights of such insurer to cancel such policy upon proper notice as set forth above) that losses are payable notwithstanding, among other things, in the case of property insurance only, any act of

negligence of the Lessee, the Lessor, the Trustor and the Security Trustee, more hazardous use or occupation of the Equipment than that permitted by such policies, or foreclosure, notice of sale or any other proceeding in respect of the Equipment, or any change in the title to or ownership of any of the Equipment. Each such insurance policy shall expressly provide that all of the provisions thereof except the limits of liability (which shall be applicable to all insureds as a group) and liability for premiums (which shall be solely a liability of the Lessee) shall operate in the same manner as if they were a separate policy covering each insured and shall be primary without right of contribution from any insurance carried by the Lessor, the Trustor or the Security Trustee. The Lessee shall, not later than the date of delivery of any Item of Equipment pursuant to this Lease, and thereafter not later than June 1 of each year commencing June 1, 1981, furnish to the Lessor, the Trustor and the Security Trustee a certificate of an insurance broker or company acceptable to the Lessor evidencing the maintenance of the insurance required hereunder and shall furnish certificates evidencing renewal 10 days prior to the expiration date of such policy or policies. All proceeds of casualty insurance received by the Security Trustee shall be applied as set forth in Section 4.1(c) of the Security Agreement.

(b) In the event that the Lessee shall fail to maintain insurance as herein provided, the Lessor may at its option provide such insurance (giving the Lessee prompt written notice thereof) and, in such event, the Lessee shall, upon demand, reimburse the Lessor for the cost thereof together with interest on the amount of such cost at the rate per annum specified in Section 19 hereof.

(c) Nothing in this Lease shall be construed to prohibit the Lessor or the Trustor at its option and expense from providing casualty insurance in amounts which are in excess of the Casualty Value and which policies may name the Lessor and/or Trustor as the loss payee; provided that no such policy impairs the coverage under any policy otherwise required to be maintained under this Section 11.1, or impairs the right of the Security Trustee to recover against any insurer under any such policy. If the Lessor or Trustor exercises said option, then the Lessee will cooperate with the reasonable requests of the Lessor or Trustor so as to effect this insurance coverage; it being understood that any insured coverage under this subparagraph (c) is expressly within the Lessor's or Trustor's option and in no way relieves the Lessee from any of its responsibilities under this Section 11.

11.2. Duty of Lessee to Notify Lessor. In the event that any Item of Equipment shall be or become worn out, lost, stolen, destroyed, or in the opinion of the Lessee, irreparably damaged or permanently returned to the builder pursuant to any patent indemnity provision during the term of this Lease or thereafter while such Item of Equipment is in the possession of the Lessee pursuant to Section 13 or 15 hereof, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise during the term of this Lease for a stated period which exceeds the then remaining term

of this Lease or by any other governmental entity resulting in loss of possession of such Item of Equipment for a period of 90 consecutive days prior to the return of such Item in the manner set forth in Section 13 or 18 hereof (any such occurrence being hereinafter called a "Casualty Occurrence"), the Lessee shall promptly and fully inform the Lessor, the Trustor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) in regard thereto and shall pay the Casualty Value (as defined in Section 11.6 hereof) of such Item in accordance with the terms of Section 11.3 hereof.

11.3. Sum Payable for Casualty Loss. The Lessee, on the next succeeding rent payment date following its notice of a Casualty Occurrence with respect to any Item or Items of Equipment, shall pay to the Lessor the Interim or Fixed Rental installment due on such payment date for such Item of Equipment plus any rentals or other sums due on or prior to such date then remaining unpaid plus a sum equal to the Casualty Value of such Item of Equipment as of the date of such payment.

11.4. Rent Termination. Upon (and not until) payment of all sums required to be paid pursuant to Section 11.3 hereof in respect of any Item or Items of Equipment, the obligation to pay rent for such Item or Items of Equipment accruing subsequent to the Casualty Value payment date shall terminate, but the Lessee shall continue to pay rent for all other Items of Equipment.

11.5. Disposition of Equipment. The Lessee shall, at its own expense, as agent for the Lessor, dispose of such Item or Items of Equipment having suffered a Casualty Occurrence as soon as it is able to do so for the fair market value thereof. Any such disposition shall be on an "as-is", "where-is" basis without representation or warranty, express or implied. As to each separate Item of Equipment so disposed of, so long as no Event of Default, or any event which with the lapse of time or the giving of notice or both, would constitute such an Event of Default shall have occurred and be continuing, the Lessee may retain all amounts arising from such disposition plus any insurance proceeds and damages received by the Lessee (provided that the Casualty Value and other sums payable pursuant to Section 11.3 hereof have been paid) by reason of such Casualty Occurrence up to the Casualty Value attributable thereto and shall remit the excess, if any, to the Lessor after deducting from such excess the reasonable expenses of the Lessee incident to such sale. Unless an Event of Default, or event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, if the Lessor or the Trustor shall receive any insurance proceeds following receipt of the Casualty Value from the Lessee (other than insurance proceeds received from insurance maintained pursuant to Section 11.1(c) hereof), such party shall promptly remit such proceeds to the Lessee up to the amount of such Casualty Value. In disposing of such Item of Equipment, the Lessee shall take such action as the Lessor shall reasonably request to terminate any contingent

liability which the Lessor might have arising after such disposition from or connected with such Item of Equipment.

11.6. Casualty Value. The Casualty Value of each Item of Equipment shall be the amount equal to that percentage of the Purchase Price of such Item of Equipment set forth in the Schedule of Casualty Value attached hereto as Schedule C opposite the date of payment thereof.

11.7. Risk of Loss. The Lessee shall bear the risk of loss and, except as hereinabove in this Section 11 provided, shall not be released from its obligations hereunder in the event of any Casualty Occurrence to any Item of Equipment from and after the date hereof and continuing until payment of the Casualty Value and all rental installments and other sums due on and prior to the date of payment of such Casualty Value in respect of such Item of Equipment has been made, such Item or the salvage thereof has been disposed of by the Lessee and the title to such Item or the salvage thereof and all risk of loss and the liabilities incident to ownership have been transferred to the purchaser of such Item or the salvage thereof. The obligations set forth in this Section 11.7 do not guarantee to any party at any time a residual value in the Equipment nor do they guarantee the payment of the Notes or any interest accrued thereon.

11.8. Eminent Domain. In the event that during the term of this Lease the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period which does not exceed the term of this Lease, the Lessee's obligation to pay all installments of rental and other sums shall continue for the duration of such requisitioning or taking. So long as no Event of Default, or event which with the lapse of time or giving of notice, or both, shall have occurred and be continuing, the Lessee shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 12. ANNUAL REPORTS.

12.1. Lessee's Certificate. On or within the month before April 1 of each year commencing April 1, 1981, the Lessee will furnish to the Lessor, the Trustor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) a certificate signed by an officer of the Lessee or such other qualified person as may be satisfactory to the Lessor, the Trustor and the Security Trustee, setting forth (a) as of the preceding December 31 the amount, description and numbers of the Items of Equipment then leased thereunder, and, as to each such Item of Equipment the description and road number of such Item of Equipment, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the 12 months ending on such

December 31 (or since the date of this Lease, in the case of the first such statement), or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Equipment as the Lessor may reasonably request (including a description, the date or dates and the cost of all additions, modifications or improvements made to any Item of Equipment in the preceding year), (b) stating that, in the case of all Items of Equipment repainted or repaired during the period covered by such statement, the numbers and markings required by Section 4.2 hereof have been preserved or replaced, (c) setting forth the identification numbers of all Items of Equipment which are then in the condition required by Section 8 hereof and certifying that all such Items of Equipment are in such condition, and (d) setting forth the identification numbers of all Items of Equipment which are not in such condition.

12.2. Lessor's Inspection Rights. The Lessor, the Trustor and any assignee of the Lessor pursuant to Section 16 hereof (including, without limitation, the Security Trustee and the Note Purchaser) each shall have the right, at their respective sole cost and expense, by their respective authorized representative, to inspect the Equipment at the respective sites of use thereof and the Lessee's records with respect thereto and any other books and records referred to in Section 5 of the Participation Agreement, at such time as shall be reasonably necessary to confirm thereto the existence and proper maintenance of the Equipment during the continuance of this Lease, but shall have no duty to do so.

12.3. Reports for Trustor, Security Trustee and the Lessor. The Lessee agrees to prepare and deliver to the Trustor, Security Trustee and the Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on their behalf) any and all reports (other than income tax returns) to be filed by the said parties with any Federal, state or other regulatory authority by reason of the ownership by the Lessor or the security interest of the Security Trustee in the Items of Equipment or the leasing thereof to the Lessee.

SECTION 13. RETURN OF EQUIPMENT UPON EXPIRATION OF TERM.

Immediately upon the expiration of the term of this Lease with respect to any Item of Equipment, the Lessee will, at its own cost and expense, deliver possession of such Item of Equipment to the Lessor (with all logos painted over so as to reasonably match the Item as painted) upon such storage tracks within the continental United States as may be reasonably designated by the Lessor, all at the risk and expense of the Lessee. Upon delivery pursuant to the foregoing sentence, the Lessee shall be absolved of further responsibility with respect to such delivered Items of Equipment. Each Item of Equipment returned to the Lessor

pursuant to this Section 13 shall (i) be in the same operating order, repair and condition as when originally delivered to the Lessee, reasonable wear and tear excepted, (ii) meet all standards with respect to maintenance and repair then in effect, (iii) have attached or affixed thereto any special device considered an accession thereto as provided in Section 7 hereof and have removed therefrom any such device not so considered an accession, and (iv) be free and clear of all mortgages, liens, security interests, charges, claims or other encumbrances other than such liens and charges created or granted by the Lessor created or granted in connection with the financing of the Equipment or resulting from claims against the Lessor not related to its ownership of the Equipment. The assembling, delivery and transporting of the Equipment as hereinabove provided are of the essence of this Lease, and upon application to any court of equity having competent jurisdiction, the Lessor shall be entitled to a decree against the Lessee requiring specific performance thereof. The Lessee shall be required to pay to the Lessor rent for each day any Item of Equipment is not so returned in an amount determined by dividing the Fixed Rental payment for such Item set forth in Section 2.1(b) hereof by 30 for each day from the expiration of the Lease to the date such Item of Equipment is returned. In the event any Item of Equipment is not assembled, delivered and transported, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the per diem interchange for such Item of Equipment (if the same were owned by a common carrier) for each such day exceeds the actual earnings received by the Trustee on such Item of Equipment for each such day, unless the Lessor shall have received sums equal or exceeding such per diem.

SECTION 14. DEFAULT.

14.1. Events of Default. Any of the following events shall constitute an Event of Default hereunder:

(a) Default shall be made in the payment of any part of the rental or Casualty Value provided in Section 2, 11 or 18 hereof and such default shall continue for five days;

(b) The Lessee shall make or permit any assignment or transfer of this Lease, or of possession of the Equipment, or any portion thereof, not permitted by this Lease and the same shall continue for a period of 15 days;

(c) Default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Lessee contained herein or in the Participation Agreement and such

default shall continue for 15 days after the earlier of (i) written notice from the Lessor to the Lessee, specifying the default and demanding the same to be remedied or (ii) the date on which such default became known to any responsible officer of the Lessee (as defined in Section 14.5 hereof);

(d) Any representation or warranty made (i) by the Lessee herein or in the Participation Agreement or in any statement or certificate furnished to the Lessor, the Security Trustee or the Note Purchaser pursuant to or in connection with this Lease or the Participation Agreement, or (ii) by the Guarantor in or pursuant to or in connection with the Guaranty Agreement executed by the Guarantor in respect of the obligations and liabilities under this Lease or in the Participation Agreement or in any statement or certificate furnished to the Lessor, the Security Trustee or Note Purchaser pursuant to or in connection with this Lease, the Guaranty Agreement or the Participation Agreement, in either (i) or (ii) above, proves untrue in any material respect as of the date of issuance or making thereof five days after written notice from the Lessor to the Lessee and the Guarantor specifying the default and demanding the same to be remedied;

(e) Default shall be made in the observance or performance of any of the covenants and agreements on the part of the Guarantor contained in the Guaranty Agreement or in the Participation Agreement and such default shall continue for thirty (30) days after written notice from the Lessor to the Lessee and the Guarantor specifying the default and demanding that the same be remedied; provided, that in the event that such default consists of the failure to pay any sum due under this Lease, the Participation Agreement or the Guaranty Agreement in conformance with the requirements of such Agreements, such default shall continue for ten days after written notice from the Lessor to the Lessee specifying the default and demanding the same to be remedied;

(f) Any holder of Funded Debt (as defined below) of the Guarantor or a trustee for such holder shall cause to be accelerated the payment thereof prior to its stated maturity or its regularly scheduled dates of payment upon the happening of a default or event, and following such giving of notice and/or the continuance of such period of time, if any, as shall permit such acceleration or termination or the initiation of such proceedings;

(g) Any proceedings shall be commenced by or against the Lessee or the Guarantor for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or of the Guarantor under the Guaranty Agreement under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustments of indebtedness (such as recompositions or extensions thereof),

reorganizations or moratoriums, other than a law which does not permit any readjustments of the obligations of the Lessee hereunder or of the Guarantor under the Guaranty Agreement, as the case may be (unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective, but then only so long as such stay shall continue), and in the case of any such proceeding commenced against the Lessee or the Guarantor, as the case may be, all the obligations of the Lessee under this Lease or of the Guarantor under the Guaranty Agreement, as the case may be shall not have been duly assumed in writing, pursuant to a court order or decree, by a custodian, trustee or trustees or receiver or receivers appointed (whether or not subject to ratification), for the Lessee and/or the Guarantor for the property of the Lessee and/or the Guarantor in connection with any such proceeding in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees or receiver or receivers, within 30 days after such appointment, if any, or 60 days after such proceedings shall have been commenced, whichever shall be earlier;

(h) A petition for reorganization under Title 11 of the United States Code, as now or hereafter constituted, shall be filed by or against the Lessee or the Guarantor (unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective, but then only so long as such stay shall continue in force or such ineffectiveness shall continue) and, in the case of such a petition filed against the Lessee or the Guarantor, as the case may be, all the obligations of the Lessee under this Lease or of the Guarantor under the Guaranty Agreement, as the case may be shall not have been and shall not continue to have been duly assumed in writing, pursuant to a court order or decree, by such custodian, trustee or trustees appointed (whether or not subject to ratification, in such proceedings in such manner that such obligations shall have the same status as expenses of administration and obligations incurred by such trustee or trustees, within 60 days after such petition shall have been filed and otherwise in accordance with the provisions of 11 U.S.C. §1168, or any successor provision, as the same may hereafter be amended;

(i) The Lessee or the Guarantor becomes insolvent or bankrupt or admits in writing its inability to pay its debts as they may mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for the Lessee or the Guarantor or for the major part of its property;

(j) A custodian, trustee or receiver is appointed for the Lessee or the Guarantor or for the major part of

its property and is not discharged within sixty (60) days after such appointment; or

(k) Any other proceedings shall be commenced by or against the Lessee or the Guarantor for any relief which includes, or might result in, any modification of the obligations of the Lessee hereunder or of the Guarantor under the Guaranty Agreement or in respect of any of its Funded Debt under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness (such as recompositions or extensions thereof), reorganizations or moratoriums (other than a law which does not permit any readjustment of such obligations of the Lessee or the Guarantor, as the case may be), and, unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but then only so long as such stay shall continue in force or such ineffectiveness shall continue), all such obligations of the Lessee and/or the Guarantor shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustee or receiver or receivers appointed (whether or not subject to ratification) for the Lessee and/or the Guarantor or for the property of the Lessee and/or the Guarantor in connection with any such proceedings, in such manner that such obligations shall have the same status as obligations incurred by such trustee or trustees or receiver or receivers, within 60 days after such appointment, if any, or 90 days after such proceedings shall have been commenced, whichever shall be earlier.

"Funded Debt" of the Guarantor, as the case may be, shall mean any indebtedness thereof for borrowed money, whether incurred, assumed or guaranteed, or indebtedness which has been incurred, assumed or guaranteed in connection with the acquisition of property or assets (including any deferred portion of the purchase price thereof) which in any case has an unpaid principal balance of more than \$200,000 and has a stated maturity of (or is renewable or extendible at the option of the obligor for a period or periods extending) more than 12 months from its date of origin, including the current maturities thereof.

14.2. Remedies. If any Event of Default has occurred and is continuing, the Lessor or, in the event this Lease shall be assigned to an assignee pursuant to Section 16 hereof, such assignee, at its option, may:

(a) Proceed by appropriate court action or actions, either at law or in equity, to enforce performance by the Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof, including but not limited to net after-tax losses of Federal and state income tax benefits to which the Lessor would otherwise be entitled under this Lease, and including reasonable attorneys' fees; and/or

(b) By notice in writing to the Lessee, terminate this Lease, whereupon all right of the Lessee to the use of the Equipment shall absolutely cease and terminate as though this Lease had never been made, but the Lessee shall remain liable as hereinafter provided; and thereupon, the Lessor may by its agents enter upon the premises of the Lessee or other premises where any of the Equipment may be located and take possession of all or any of the Items of Equipment and thenceforth hold, possess and enjoy the same free from any right of the Lessee, or its successors or assigns, to use such Items for any purpose whatever, but the Lessor shall nevertheless have a right to recover from the Lessee any and all amounts which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction of which the numerator is such number of days and the denominator is the total number of days in such full rental period) and also to recover forthwith from the Lessee as liquidated damages for loss of the bargain and not as a penalty, whichever of the following amounts the Lessor, in its sole discretion, shall specify, (i) the sum with respect to each Item of Equipment which represents (x) the excess of the Casualty Value, calculated as of the monthly rental payment date immediately following the occurrence of such Event of Default as to such Item of Equipment over the then present value of the rental under any and all re-releases of the Item of Equipment arranged by the Lessor from the date of such Event of Default through June 30, 2001 for each Item of Equipment (such present value to be computed in each case on the basis of a 13.625% per annum discount, compounded monthly from the respective dates upon which rentals would have been payable hereunder had this Lease not been terminated) or, if such Item of Equipment is sold, the net proceeds of the sale plus (y) any damages and expenses, including reasonable attorneys' fees, which the Lessor shall have sustained by reason of the breach of any covenant, representation or warranty of this Lease other than for the payment of rental or (ii) an amount equal to the excess, if any, of the Casualty Value as of the Casualty Value payment date on or next preceding the date of termination over the amount the Lessor reasonably estimates to be the sales value of such Item of Equipment at such time; provided, however, that in the event the Lessor shall have sold any Item of Equipment, the Lessee shall, if the Lessor shall so elect, pay to the Lessor on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the excess, if any, of the Casualty Value for such Item of Equipment as of the Casualty Value payment date on or next preceding the date of termination over the net proceeds of such sale in lieu of collecting any amounts payable by the Lessee pursuant to the preceding clause (ii) with respect to such Item of Equipment.

In addition, the Lessee shall be liable, except as otherwise provided above, for any and all unpaid amounts due hereunder before, during or after the exercise of any of the foregoing remedies and for all reasonable attorneys' fees and other reasonable costs and expenses incurred by reason of the occurrence of any Event of Default or the exercise of the Lessor's remedies with respect thereto, including all costs and expenses incurred in connection with the return of any Item of Equipment.

14.3. Cumulative Remedies. The remedies in this Lease provided in favor of the Lessor shall not be deemed exclusive, but shall be cumulative and shall be in addition to all other remedies in its favor existing at law or in equity. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims of any right to assert any offset against the rent payments due hereunder, and agrees to make the rent payments regardless of any offset or claim which may be asserted by the Lessee or on its behalf in connection with the lease of the Equipment.

14.4. Failure to Exercise Rights. The failure of the Lessor or the Lessee to exercise the rights granted it hereunder upon any occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

14.5. Notice of Event of Default. The Lessee also agrees to furnish to the Lessor, the Trustor, the Security Trustee and the Note Purchaser, promptly upon any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this Section 14.5 a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate officer of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

SECTION 15. RETURN OF EQUIPMENT UPON DEFAULT.

15.1. Lessee's Duty to Return. If the Lessor or any assignee of the Lessor pursuant to Section 16 hereof shall terminate this Lease pursuant to Section 14 hereof, the Lessee shall forthwith deliver possession of the Equipment to the Lessor. For the purpose of delivering possession of any Item of Equipment to the Lessor as above required, the Lessee shall at its own cost, expense and risk (except as hereinafter stated):

(a) forthwith and in the usual manner (including, without limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Item of Equipment has been interchanged or which may have possession thereof to return the Item of Equipment) place such Item of Equipment upon such storage tracks in the continental United States as the Lessor reasonably may designate;

(b) forthwith place such Equipment in such reasonable storage place in the continental United States as the Lessor may designate or, in the absence of such designation, as the Lessee may select; provided that, in the event the Lessor shall designate storage tracks which are then unavailable then the Lessee agrees to so store the Items of Equipment upon such other storage tracks as shall then be so available and nearest to such storage tracks designated by the Lessor;

(c) permit the Lessor to store such Equipment in such reasonable storage place at the Lessee's expense, including insurance, rent and storage, until such Equipment has been sold, leased or otherwise disposed of by the Lessor (subject to such obligations regarding disposition of the Equipment as shall then be imposed by applicable law) and during such period of storage the Lessee shall continue to maintain all insurance required by Section 11.1 hereof; and

(d) transport the Equipment to any reasonable place and/or connecting carrier for shipment as the Lessor may direct in writing.

All amounts earned in respect of the Equipment after the date of termination of this Lease, shall belong to the Lessor or in the event this Lease has been assigned pursuant to Section 16 hereof, to such assignee, and, if received by the Lessee, shall be promptly turned over to the Lessor or in the case of such assignment, to such assignee. In the event any Item of Equipment is not assembled, delivered and stored as hereinabove provided within 30 days after the termination of this Lease, the Lessee shall, in addition, pay to the Lessor or, in the case of such assignment, to such assignee for each day thereafter an amount equal to the amount, if any, by which the higher of (i) an amount equal to 0.03279% of the Purchase Price of such Item of Equipment, or (ii) the Fair Market Rental (determined in the manner provided in Section 18 hereof) for such Item of Equipment for each such day exceeds the amount, if any, received by the Lessor or such assignee (either directly or from the Lessee) for such day for such Item pursuant to the preceeding sentence. In the event any Item of Equipment is not assembled, delivered and transported, as hereinabove provided, within 60 days after such termination, the Lessee shall, in addition, pay to the Lessor for each day thereafter an amount equal to the amount, if any, by which the per diem interchange for such Item of Equipment (if the same were owned by a common carrier) for each such day

exceeds the actual earnings received by the Trustee on such Item of Equipment for each such day, unless the Lessor shall have received sums equal or exceeding such per diem. Such payment shall not offset the obligation of the Lessee to redeliver the Equipment pursuant to the first sentence of this section.

15.2. Specific Performance. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, the Lessor shall be entitled to a decree against the Lessee requiring specific performance of the covenants of the Lessee so to assemble, deliver, store and transport the Equipment.

15.3. Lessor Appointed Lessee's Agent. Without in any way limiting the obligation of the Lessee under the foregoing provisions of this Section 15, the Lessee hereby irrevocably appoints the Lessor as the agent and attorney of the Lessee, with full power and authority, at any time while the Lessee is obligated to deliver possession of any Items of Equipment to the Lessor, to demand and take possession of such Item in the name, at the expense and on behalf of the Lessee from whosoever shall be at the time in possession of such Item.

SECTION 16. ASSIGNMENTS BY LESSOR.

This Lease and all rent and certain other sums due or to become due hereunder have been assigned by the Lessor to the Security Trustee pursuant to the Security Agreement. The rent and other sums payable by the Lessee which are the subject matter of such assignment shall be paid to or upon the written order of the Security Trustee or a successor trustee thereto pursuant to the Security Agreement; provided that the Lessee shall have received not less than 10 days' prior written notice of the transfer of such trusteeship to a successor trustee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of the Security Trustee or any such successor assignee in and to the sums payable by the Lessee under any provisions of this Lease shall not be subject to any abatement whatsoever and shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever whether by reason or failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (ii) said assignee shall, if any Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred

and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor (except those rights, privileges and remedies relating to amounts payable to the Lessor or the Trustor pursuant to Sections 6, 10.2, 11.1 [with respect to public liability insurance] and 20.3 hereof which shall remain enforceable by the Lessor and/or the Trustor, as the case may be), but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, said assignee, the Lessor and the Trustor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (iii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and conveying the same be subject to the interest of the Lessee in and to the Equipment.

SECTION 17. ASSIGNMENTS BY LESSEE; USE AND POSSESSION.

17.1. Lessee's Rights to the Equipment. So long as no Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, the Lessee shall be entitled to the possession and use of the Equipment in accordance with the terms of this Lease, but, without the prior written consents of the Lessor and so long as any of the Notes shall be outstanding, the Security Trustee, the Lessee shall not assign, transfer or encumber its leasehold interest under this Lease in any of the Equipment. The Lessee shall not, without the prior written consent of the Lessor and, so long as any of the Notes shall be outstanding, the Security Trustee, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 17.2 hereof.

17.2. Use and Possession of Equipment. So long as the Lessee shall not be in default under this Lease and except as otherwise provided below, the Lessee shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad owned or operated by any railroad company or companies incorporated in the United States of America (or any state thereof or the District of Columbia) or over which such railroad company or companies have trackage rights or rights for the operation of their trains and also to permit the use of any Item of Equipment upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, but only upon and

subject to all the terms and conditions of this Lease. Notwithstanding the foregoing, the Lessee shall at no time throughout the term of this Lease assign or permit the assignment of any Item of Equipment to service outside the continental United States, use or permit the use of any Item of Equipment in service outside the United States, or sublease or permit the sublease of any Item of Equipment to service outside the United States. For the purposes of the preceding sentence, service shall include, without limitation, regular operation and maintenance or any other activity comprising more than a de minimus usage in Canada. So long as the Lessee shall not be in default under this Lease, the Lessee may sublease any Items of Equipment, provided that unless otherwise agreed in writing by the Lessor and the Security Trustee (i) any such sublease is by its terms expressly subordinate to this Lease, (ii) the Lessor shall be given not less than fifteen days written notice of any such sublease, (iii) the term of any sublease shall expire prior to the earlier of (1) 18 months following the commencement of such sublease, or (2) the term expiration date of this Lease, (iv) the performance under any such sublease will not cause any Items of Equipment to cease to qualify as "section 38 property" within the meaning of the Internal Revenue Code of 1954, as amended, (v) the Lessee shall assign its right, title and interest in said sublease to the Lessor prior to the commencement thereof, (vi) the Equipment will be insured as provided herein, (vii) any such sublease shall specifically state that the sublessee agrees to be bound by the restrictions on service outside the United States as set forth in this Section 17.2, and (viii) provided further that no sublease permitted hereunder shall be followed by a consecutive sublease without the prior written consent of the Lessor. No assignment (except an assignment to which the Lessor and, so long as any of the Notes shall be outstanding, the Security Trustee, shall have consented in writing in their sole discretion) or sublease entered into by the Lessee hereunder shall relieve the Lessee of any liability or obligation hereunder which shall be and remain that of a principal and not a surety, except that payment to the entities entitled to payment hereunder or performance by an assignee or a sublessee of the Lessee hereunder, in respect of any of the obligations of the Lessee hereunder, shall discharge such obligations to the full extent to which such payment or performance is made.

It is contemplated that the Lessee shall receive insofar as applicable law and regulations allow, all mileage allowance rentals and/or other compensation (hereinafter referred to as "Mileage") payable by carriers by reason of the use of an Item of Equipment and if for any reason the Lessor shall receive any Mileage then (unless an Event of Default shall have occurred and be continuing, in which event such Mileage or portion thereof shall be retained by the Lessor until such Event of Default shall no longer be continuing) the Lessor shall remit such Mileage to the Lessee promptly after the Lessee shall furnish to the Lessor, at the Lessee's sole expense, either (i) a ruling of the Interstate

Commerce Commission to the effect that the remittance thereof to the Lessee will not constitute a rebate within the meaning of 49 U.S.C. Section 11902, as amended, or (ii) an opinion of counsel to the same effect.

17.3. Merger, Consolidation or Acquisition of Lessee.

Nothing in this Section 17 shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation into or with which the Lessee shall have become merged or consolidated or which shall have acquired all or substantially all of the assets of the Lessee, provided that (i) such assignee, successor or transferee shall then have a "net worth" (as hereinafter defined) of no less than the "net worth" of the Lessee immediately prior to such merger, consolidation or acquisition, and shall have duly assumed the obligations of the Lessee hereunder, (ii) such assignee, successor or transferee will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provisions of this Lease and (iii) such merger or consolidation or acquisition of Properties shall not alter in any way the Lessee's obligations to the Lessor hereunder which shall be and remain those of a principal and not a guarantor. As used herein, "net worth" shall mean the net worth of such assignee, successor or transferee and its subsidiaries determined in accordance with generally accepted accounting principles at the time in effect.

SECTION 18. DUTY OF FIRST OFFER; RENEWAL.

18.1. Required Notice of Lessor and Lessee. Not later than 360 days before the end of the original term of this Lease, Lessor, pursuant to a written direction from the Trustor to the Lessor, by written notice delivered to Lessee, shall inform Lessee as to (a) whether it intends to sell the Equipment at the end of the original term of this Lease and in such case offering to sell the Equipment to the Lessee as provided in Section 18.2 hereof (subject to there being no Event of Default at such time and at the date of exercise and purchase pursuant to such right) or (b) if it does not so intend to sell the Equipment, the extent to which it is willing to extend this Lease, offering Lessee the right to renew the Lease as provided in Section 18.3 hereof (subject to there being no Event of Default at such time and at the time of the commencement of such extended term). Lessee shall, not later than 300 days before the end of the original term of the Lease deliver to Lessor written notice informing Lessor whether or not it wishes to accept Lessor's offer to sell the Equipment or exercise its option to extend the Lease, whichever the case may be. Failure by Lessee to respond within such period shall constitute a rejection of Lessor's offer.

18.2. Duty of First Offer. If Lessor offers to sell the Equipment to the Lessee as provided in Section 18.1(a) hereof at the end of the original term of this Lease and the Lessee accepts such offer as provided in Section 18.1 hereof, Lessor and Lessee shall proceed to determine the Fair Market Purchase Price of the Equipment as provided in Section 18.4 and Lessor, at its election, may solicit in a commercially reasonable manner offers to buy the Equipment (excepting additions, modification and improvements which may be removed by Lessee as provided herein). The purchase price for the Equipment shall be the higher of (1) the Fair Market Purchase Price, or (2) if a bona fide offer is received not later than 240 days before the end of the original term of the Lease, the sale price set forth in such offer. The payment for the Equipment by Lessee shall be made not later than the last day of the original term of this Lease at which time Lessor will execute and deliver to Lessee a bill of sale such as will transfer title to the Equipment free of claims, liens and encumbrances created or arising through Lessor other than those which Lessee is obligated to discharge pursuant to the terms of this Lease.

18.3. Renewal. If Lessor offers Lessee the option as provided in Section 18.1(b) to renew the Equipment for an extended term, and Lessee accepts such offer to extend the Lease as provided in Section 18.1 hereof the rental during such extended term shall be equal to the Fair Market Rental as determined in accordance with Section 18.4. The other provisions of the Lease as extended shall be subject to the same terms and conditions as provided in the Lease except the provisions of this Section 18 shall not apply during such renewal, and the Casualty Value payable in respect of a Casualty Occurrence involving any Item of Equipment shall be as agreed upon by Lessor and Lessee.

18.4. Fair Market Rental and Purchase Price. The Fair Market Rental and Purchase Price shall be determined on the basis of, and shall be equal in amount to, the cash rental, or the purchase price (as of such date as the context herein requires), as the case may be, which would obtain in an arm's-length transaction between an informed and willing lessee or purchaser, as the case may be, and an informed and willing lessor or seller, as the case may be (other than a lessee currently in possession), under no compulsion to lease or sell, as the case may be, provided, however, that Fair Market Rental shall be determined on the basis of the term and other terms and conditions of the lease being considered. In making such determination, costs of removal from the location of current use shall not be a deduction from such rental or purchase price, and it shall be assumed that the Equipment has been collected in one place on the lines of the Lessee within the continental United States as directed by the Lessor. If, after 20 days from the giving of notice by the Lessee, as provided in Section 18.1 of its election to either accept Lessor's offer to sell the Equipment or exercise its right to extend the Lease, the Lessor and the Lessee are unable to

agree upon a determination of the Fair Market Rental or Fair Market Purchase Price of the Equipment, such rental or purchase price shall be determined in accordance with the foregoing definition by the following procedure: If either party to such determination shall have given written notice to the other requesting determination of such rental or purchase price by this appraisal procedure, the parties shall consult for the purpose of appointing a qualified independent appraiser by mutual agreement. If no such appraiser is so appointed within 15 business days after such notice is given, each party shall appoint an independent appraiser within 20 business days after such notice is given, and the two appraisers so appointed shall within 25 business days after such notice is given appoint a third independent appraiser. If no such third appraiser is appointed within 25 business days after such notice is given, either party may request the American Arbitration Association to make such appointment, and both parties shall be bound by any appointment so made. Any appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine the Fair Market Rental or the Fair Market Purchase Price, as the case may be, of the Equipment then subject to this Lease, within 30 days after his or their appointment. If the parties shall have appointed a single appraiser or if either party shall have failed to appoint an appraiser, the determination of Fair Market Rental or Fair Market Purchase Price, as the case may be, of the single appraiser shall be final. If three appraisers shall be appointed, the determination of the appraiser which differs most from that of the other two appraisers shall be excluded, the remaining two determinations shall be averaged and such latter average shall be final and binding upon the parties hereto as the Fair Market Rental or Fair Market Purchase Price, as the case may be. The appraisal proceedings shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association as in effect on the date hereof, except as modified hereby. The provision for this appraisal procedure shall be the exclusive means of determining Fair Market Rental or Fair Market Purchase Price, as the case may be, and shall be in lieu of any judicial or other procedure for the determination thereof, and each party hereto hereby consents and agrees not to assert any judicial or other procedures. Except as otherwise provided herein, the Lessee and the Lessor shall equally share all appraisal procedure expenses.

SECTION 19. INTEREST ON OVERDUE RENTALS AND AMOUNT PAID BY LESSOR.

Anything to the contrary herein contained notwithstanding, any nonpayment of rent due hereunder, or amounts expended by the Lessor on behalf of the Lessee, shall result in the additional obligation on the part of the Lessee to pay also an amount equal to 14.625% per annum (or the lawful rate, whichever is less) on the overdue rentals and amounts expended for the period of time during which they are overdue or expended and not repaid.

SECTION 20. MISCELLANEOUS.

20.1. Limitations of Liability. It is expressly understood and agreed by and between the Lessor and the Lessee and their respective successors and assigns that this Lease is executed by First Security Bank of Utah, N.A., not individually or personally but solely as Trustee under the Trust Agreement in the exercise of the power and authority conferred and vested in it as such Trustee, that each and all of the representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by First Security Bank of Utah, N.A. or the Trustor, or for the purpose or with the intention of binding First Security Bank of Utah, N.A. or the Trustor personally, but are made and intended for the purpose of binding only the Trust Estate as defined in the Trust Agreement, that this Lease is executed and delivered by First Security Bank of Utah, N.A. solely in the exercise of the powers expressly conferred upon First Security Bank of Utah, N.A. as trustee under the Trust Agreement, that actions to be taken by the Lessor pursuant to its obligations hereunder may, in certain instances, be taken by the Lessor only upon specific authority of the Trustor, that nothing herein contained shall be construed as creating any liability on First Security Bank of Utah, N.A. or the Trustor, individually or personally, or any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of, First Security Bank of Utah, N.A. or the Trustor, to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Lessee and by each and every person now or hereafter claiming by, through or under the Lessee, and that so far as First Security Bank of Utah, N.A. or the Trustor, individually or personally are concerned, the Lessee and any person claiming by, through or under the Lessee shall look solely to the Trust Estate as defined in the Trust Agreement for the performance of any obligation under this Lease; provided that nothing in this Section 20.1 shall be construed to limit in scope or substance those representations and warranties of First Security Bank of Utah, N.A. in its individual capacity set forth in the Participation Agreement or relieve the Trustee in its individual capacity from liability to the Lessee, the Lessor, the Trustor, the Security Trustee or the Note Purchaser from the wilful misconduct or gross negligence of the Trustee. The term "Lessor" as used in this Lease shall include any trustee succeeding First Security Bank of Utah, N.A., as trustee under the Trust Agreement or the Trustor if the trust created thereby is revoked. Any obligation of the Lessor hereunder may be performed by the Trustor, and any such performance shall not be construed as revocation of the trust created by the Trust Agreement. Nothing contained in this Lease shall restrict the operation of the provisions of the Trust Agreement with respect to its revocation or the resignation or removal of the Trustee thereunder.

It is expressly understood and agreed by and between the Lessor and the Lessee and their respective successors and assigns that this Lease is executed in said Lessee's corporate capacity and

that nothing herein contained shall be construed as creating any liability on any incorporator or any past, present or future subscriber to the capital stock of, or stockholder, officer or director of the Lessee to perform any covenant either express or implied contained herein, all such liability, if any, being expressly waived by the Lessor and the Trustor and by each and every person now or hereafter claiming by, through or under the Lessor or the Trustor.

20.2. Notices. Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given either when (i) delivered personally or otherwise actually received (whether by telex, telecopy, courier or otherwise), or (ii) two business days after being deposited in the United States mail, certified mail, first class, postage prepaid, in each case to the following address:

If to the Lessor:

First Security Bank of Utah, N.A.
79 South Main Street
Salt Lake City, Utah 84111
Attention: Corporate Trust Department

with a copy to:

General Electric Credit Corporation
260 Long Ridge Road
Stamford, Connecticut 06904
Attention: Manager-Operations, Leasing and
Industrial Loans

If to the Security Trustee:

The Connecticut Bank and Trust Company
One Constitution Plaza
Hartford, Connecticut 06115
Attention: Corporate Trust Department

If to the Lessee:

Gulf Coast Grain, Inc.
5100 Poplar Avenue, Suite 1910
Memphis, Tennessee 38137
Attention: Mr. Cliff Snyder

(with a copy to the Guarantor at:
Mitsui & Company (USA), Inc.
5100 Poplar Avenue, Suite 2906
Memphis, Tennessee 38137
Attention: Mr. Shigeru Endo;

and with a copy to the Lessee's counsel at:

Messrs. Waring, Cox, Sklar, Allen,
Chafetz & Watson
165 Madison Avenue, Suite 1100
Memphis, Tennessee 38103
Attention: Mr. Sam Chafetz)

If to the Note Purchaser:

At the address provided therefor in
Schedule 2 to the Participation Agreement

or addressed or paid to any such party at such other address or place of payment as such party shall hereafter furnish to such other parties in writing.

20.3. Right of Lessor to Perform. If the Lessee shall fail to comply with any of its covenants herein contained, either the Lessor, the Trustor or, in the case of an assignment by the Lessor pursuant to Section 16 hereof, the assignee thereunder (including, without limitation, the Security Trustee and the Note Purchaser) may, after notice to the Lessee, but shall not be obligated to, make advances to perform the same and to take all such action as may be necessary to obtain such performance. Any payment so made by any such party and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection therewith shall be payable by the Lessee to the party making the same upon demand as additional rent hereunder, with interest at the rate set forth in Section 19 hereto.

20.4. Right to Quiet Enjoyment. Subject to the provisions of Sections 2.4 and 16 hereof and to the restrictions upon rights of setoff and counterclaim provided therein, so long as the Lessee is not in default hereunder, neither the Lessor nor the Trustor nor any person or entity claiming by, through or under them shall interfere with the rights of the Lessee to the use of the Equipment as set forth herein.

20.5. Execution in Counterparts. This Lease, and any lease supplemental hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original and in each case such counterparts shall constitute but one and the same instrument.

20.6. Law Governing. This Lease shall be construed in accordance with the laws of the State of New York without regard to principles of conflict of laws; provided, however, that the parties shall be entitled to all rights conferred by any applicable Federal statute, rule or regulation.

20.7. Headings and Table of Contents. All Section headings and the Table of Contents are inserted for convenience only and shall not affect any construction or interpretation of this Lease.

20.8. Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall be as to such jurisdiction ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

20.9. Trustee Rights. All rights of the Lessor hereunder shall inure to the benefit of the Lessor and any of the Lessor's assigns (including the Security Trustee).

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed by their respective officers thereunder duly authorized and the corporate seals to be hereto affixed as of the day and year first above written.

[CORPORATE SEAL]

ATTEST:

/S/ R. D. Schutier
Authorized Officer

[CORPORATE SEAL]

ATTEST:

/S/ Shigeru Endo
Secretary

FIRST SECURITY BANK OF UTAH, N.A.,
not individually but solely as Trustee
under Gulf Coast Trust No. 80-1

By /S/ John R. Sager
Its Assistant Trust Officer

GULF COAST GRAIN, INC.

By /S/ W. G. Gore
Its Ex. Vice President

STATE OF UTAH)
) ss.:
COUNTY OF SALT LAKE)

On this 16th day of December, 1980, before me personally appeared John R. Sager, to me personally known, who being by me duly sworn, says that he is an Assistant Trust Officer of FIRST SECURITY BANK OF UTAH, N.A., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

/S/ Randy R. Marchant
Notary Public

[NOTARIAL SEAL]

My Commission expires: February 8, 1982

STATE OF TENNESSEE)
) ss.:
COUNTY OF SHELBY)

On this 17th day of December, 1980, before me personally appeared W. G. Gore, to me personally known, who being by me duly sworn, says that he is the Executive Vice President of GULF COAST GRAIN, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

/S/ Karen C. Mays
Notary Public

[NOTARIAL SEAL]

My Commission expires: June 23, 1982

Description of Items of Equipment

| Type | AAR Mechanical Designation | Builder's Specifica- tions | Place of Delivery | Quantity | Lessee's Identifi- cation Numbers (Both Inclusive) | Unit Base Price | Total Base Price | Maximum Price for Equipment |
|--|----------------------------------|----------------------------------|--|----------|---|--------------------|---------------------|--------------------------------|
| 100 ton truck gravity discharge covered hopper cars | | | Mobile, Alabama; or Montgomery, Alabama | 150 | GCIX 335 through GCIX 344, both inclusive, GCIX 347 and GCIX 351 through GCIX 357, both inclusive, GCIX 359 through GCIX 361, both inclusive, GCIX 368 and GCIX 372 through GCIX 499, both inclusive | \$42,000 | \$6,300,000 | \$6,616,124 |

SCHEDULE A
(to Equipment Lease)

CERTIFICATE OF ACCEPTANCE
UNDER EQUIPMENT LEASE

Gulf Coast Trust No. 80-1

TO: First Security Bank of Utah, N.A., as
Trustee under Gulf Coast
Trust No. 80-1 (the "Lessor")

Trinity Industries, Inc.
(the "Manufacturer")

I, a duly appointed and authorized representative of
Gulf Coast Grain, Inc. (the "Lessee") under the Equipment Lease
dated as of November 1, 1980 between the Lessor and the Lessee,
do hereby certify that I have inspected, received, approved and
accepted delivery under the Lease of the following Items of
Equipment:

TYPE OF EQUIPMENT:

PLACE ACCEPTED:

DATE ACCEPTED:

NUMBER OF UNITS:

MARKED AND NUMBERED:

I do further certify that the foregoing Items of Equipment
are in good order and condition, and appear to conform to the
specifications applicable thereto, that the Lessee has no knowledge
of any defect in any of the foregoing Items of Equipment with
respect to design, manufacture, condition or in any other respect,
and that each Item has been labeled by means of a plate or a
stencil printed in contrasting colors upon each side of the Item
in letters not less than one inch in height as follows:

"Ownership Subject to a Security
Agreement Recorded with the Interstate
Commerce Commission"

SCHEDULE B
(to Equipment Lease)

The execution of this Certificate will in no way relieve or decrease the responsibility of the Manufacturer for any warranties it has made with respect to the Equipment.

Dated: _____, 19__

Inspector and Authorized
Representative of the
Lessee

SCHEDULE OF CASUALTY VALUES

The Casualty Value for an Item of Equipment payable on the six interim rental payment dates (noted by date in the first column below) or on the 240 consecutive Fixed Rental payment dates (identified consecutively by number below) shall mean an amount equal to the percent of the Purchase Price of such Item set forth opposite such date in the first column thereafter if such Item was delivered and accepted under the Lease on or before December 31, 1980, and in the second column if so delivered and accepted aafter December 31, 1980:

| <u>Rental Payment Date on Which Casualty Value is Paid</u> | <u>Percentage of Purchase Price Payable as Casualty Value For Items De- livered and Ac- cepted on or Before December 31, 1980</u> | <u>Percentage of Purchase Price Payable as Casualty Value For Items Delivered and Accepted After December 31, 1980</u> |
|--|---|--|
| February 1, 1981 (if any) | 106.66 | 108.16 |
| March 1, 1981 | 106.99 | 108.63 |
| April 1, 1981 | 107.31 | 109.08 |
| May 1, 1981 | 107.63 | 109.52 |
| June 1, 1981 | 107.94 | 109.95 |
| July 1, 1981 | 108.25 | 110.37 |
| 1 | 108.54 | 110.77 |
| 2 | 108.83 | 111.16 |
| 3 | 109.12 | 111.53 |
| 4 | 109.40 | 111.89 |
| 5 | 109.67 | 112.24 |
| 6 | 109.93 | 112.57 |
| 7 | 110.19 | 112.88 |
| 8 | 110.45 | 113.19 |
| 9 | 110.69 | 113.50 |
| 10 | 110.93 | 113.80 |
| 11 | 111.17 | 114.09 |
| 12 | 111.40 | 114.38 |
| 13 | 111.62 | 114.65 |
| 14 | 111.84 | 114.93 |
| 15 | 112.06 | 115.19 |
| 16 | 112.26 | 115.45 |
| 17 | 112.46 | 115.71 |
| 18 | 112.66 | 115.95 |
| 19 | 112.85 | 116.19 |
| 20 | 113.03 | 116.43 |
| 21 | 113.21 | 116.65 |
| 22 | 113.38 | 116.88 |
| 23 | 113.55 | 117.09 |
| 24 | 113.71 | 117.30 |
| 25 | 113.87 | 117.51 |
| 26 | 114.02 | 117.71 |

SCHEDULE C
(to Equipment Lease)

Rental Payment
Date on Which
Casualty Value
is Paid

Percentage of
Purchase Price
Payable as
Casualty Value
For Items De-
livered and Ac-
cepted on or Before
December 31, 1980

Percentage of
Purchase Price
Payable as
Casualty Value
For Items
Delivered and
Accepted After
December 31, 1980

| | | |
|----|--------|--------|
| 27 | 114.17 | 117.90 |
| 28 | 114.31 | 118.09 |
| 29 | 114.45 | 118.27 |
| 30 | 114.59 | 118.89 |
| 31 | 108.16 | 119.06 |
| 32 | 108.27 | 112.22 |
| 33 | 108.39 | 112.38 |
| 34 | 108.49 | 112.54 |
| 35 | 108.60 | 112.68 |
| 36 | 108.70 | 112.83 |
| 37 | 108.79 | 112.96 |
| 38 | 108.88 | 113.09 |
| 39 | 108.96 | 113.22 |
| 40 | 109.03 | 113.34 |
| 41 | 109.11 | 113.45 |
| 42 | 109.17 | 113.56 |
| 43 | 109.23 | 113.66 |
| 44 | 109.29 | 113.76 |
| 45 | 109.34 | 113.85 |
| 46 | 109.39 | 113.94 |
| 47 | 109.43 | 114.02 |
| 48 | 109.46 | 114.10 |
| 49 | 109.50 | 114.17 |
| 50 | 109.52 | 114.24 |
| 51 | 109.55 | 114.30 |
| 52 | 109.56 | 114.35 |
| 53 | 109.57 | 114.40 |
| 54 | 109.58 | 114.89 |
| 55 | 103.04 | 114.93 |
| 56 | 103.04 | 107.97 |
| 57 | 103.04 | 108.00 |
| 58 | 103.02 | 108.02 |
| 59 | 103.01 | 108.04 |
| 60 | 102.99 | 108.05 |
| 61 | 102.96 | 108.06 |
| 62 | 102.94 | 108.07 |
| 63 | 102.90 | 108.07 |
| 64 | 102.86 | 108.06 |
| 65 | 102.82 | 108.05 |
| 66 | 102.77 | 108.04 |
| 67 | 102.72 | 108.02 |
| 68 | 102.66 | 107.99 |
| 69 | 102.60 | 107.96 |
| 70 | 102.54 | 107.93 |
| 71 | 102.47 | 107.89 |
| 72 | 102.40 | 107.85 |

Rental Payment
Date on Which
Casualty Value
is Paid

Percentage of
Purchase Price
Payable as
Casualty Value
For Items De-
livered and Ac-
cepted on or Before
December 31, 1980

Percentage of
Purchase Price
Payable as
Casualty Value
For Items
Delivered and
Accepted After
December 31, 1980

| | | |
|-----|--------|--------|
| 73 | 102.32 | 107.80 |
| 74 | 102.24 | 107.75 |
| 75 | 102.16 | 107.69 |
| 76 | 102.07 | 107.63 |
| 77 | 101.98 | 107.56 |
| 78 | 101.89 | 106.94 |
| 79 | 95.24 | 106.86 |
| 80 | 95.13 | 100.78 |
| 81 | 95.02 | 100.70 |
| 82 | 94.91 | 100.61 |
| 83 | 94.79 | 100.51 |
| 84 | 94.67 | 100.42 |
| 85 | 94.55 | 100.32 |
| 86 | 94.42 | 100.21 |
| 87 | 94.29 | 100.10 |
| 88 | 94.16 | 99.99 |
| 89 | 94.02 | 99.87 |
| 90 | 93.88 | 99.75 |
| 91 | 93.73 | 99.62 |
| 92 | 93.58 | 99.49 |
| 93 | 93.43 | 99.36 |
| 94 | 93.27 | 99.22 |
| 95 | 93.12 | 99.08 |
| 96 | 92.95 | 98.93 |
| 97 | 92.79 | 98.78 |
| 98 | 92.62 | 98.63 |
| 99 | 92.45 | 98.47 |
| 100 | 92.28 | 98.31 |
| 101 | 92.10 | 98.15 |
| 102 | 91.92 | 97.98 |
| 103 | 91.73 | 97.81 |
| 104 | 91.55 | 97.63 |
| 105 | 91.36 | 97.46 |
| 106 | 91.17 | 97.27 |
| 107 | 90.97 | 97.09 |
| 108 | 90.77 | 96.90 |
| 109 | 90.57 | 96.71 |
| 110 | 90.37 | 96.51 |
| 111 | 90.17 | 96.31 |
| 112 | 89.96 | 96.11 |
| 113 | 89.75 | 95.91 |
| 114 | 89.54 | 95.70 |
| 115 | 89.32 | 95.49 |
| 116 | 89.10 | 95.27 |
| 117 | 88.89 | 95.06 |
| 118 | 88.51 | 94.66 |

Rental Payment
Date on Which
Casualty Value
is Paid

Percentage of
Purchase Price
Payable as
Casualty Value
For Items De-
livered and Ac-
cepted on or Before
December 31, 1980

Percentage of
Purchase Price
Payable as
Casualty Value
For Items
Delivered and
Accepted After
December 31, 1980

| | | |
|-----|-------|-------|
| 119 | 88.12 | 94.26 |
| 120 | 87.73 | 93.86 |
| 121 | 87.35 | 93.45 |
| 122 | 86.95 | 93.04 |
| 123 | 86.56 | 92.63 |
| 124 | 86.16 | 92.21 |
| 125 | 85.76 | 91.79 |
| 126 | 85.35 | 91.36 |
| 127 | 84.95 | 90.93 |
| 128 | 84.53 | 90.49 |
| 129 | 84.12 | 90.06 |
| 130 | 83.70 | 89.62 |
| 131 | 83.28 | 89.17 |
| 132 | 82.86 | 88.72 |
| 133 | 82.44 | 88.27 |
| 134 | 82.01 | 87.82 |
| 135 | 81.58 | 87.36 |
| 136 | 81.15 | 86.89 |
| 137 | 80.71 | 86.43 |
| 138 | 80.28 | 85.96 |
| 139 | 79.84 | 85.48 |
| 140 | 79.39 | 85.01 |
| 141 | 78.95 | 84.52 |
| 142 | 78.50 | 84.04 |
| 143 | 78.05 | 83.55 |
| 144 | 77.60 | 83.06 |
| 145 | 77.14 | 82.57 |
| 146 | 76.68 | 82.07 |
| 147 | 76.22 | 81.57 |
| 148 | 75.76 | 81.06 |
| 149 | 75.29 | 80.56 |
| 150 | 74.82 | 80.05 |
| 151 | 74.35 | 79.54 |
| 152 | 73.88 | 79.02 |
| 153 | 73.40 | 78.50 |
| 154 | 72.92 | 77.98 |
| 155 | 72.44 | 77.46 |
| 156 | 71.96 | 76.93 |
| 157 | 71.47 | 76.40 |
| 158 | 70.98 | 75.87 |
| 159 | 70.49 | 75.33 |
| 160 | 69.99 | 74.79 |
| 161 | 69.49 | 74.25 |
| 162 | 68.99 | 73.70 |
| 163 | 68.49 | 73.15 |
| 164 | 67.98 | 72.60 |

Rental Payment
Date on Which
Casualty Value
is Paid

Percentage of
Purchase Price
Payable as
Casualty Value
For Items De-
livered and Ac-
cepted on or Before
December 31, 1980

Percentage of
Purchase Price
Payable as
Casualty Value
For Items
Delivered and
Accepted After
December 31, 1980

| | | |
|-----|-------|-------|
| 165 | 67.47 | 72.04 |
| 166 | 66.96 | 71.48 |
| 167 | 66.44 | 70.92 |
| 168 | 65.92 | 70.36 |
| 169 | 65.40 | 69.79 |
| 170 | 64.87 | 69.22 |
| 171 | 64.35 | 68.64 |
| 172 | 63.82 | 68.06 |
| 173 | 63.28 | 67.48 |
| 174 | 62.75 | 66.89 |
| 175 | 62.21 | 66.31 |
| 176 | 61.66 | 65.71 |
| 177 | 61.12 | 65.12 |
| 178 | 60.57 | 64.52 |
| 179 | 60.02 | 63.92 |
| 180 | 59.46 | 63.31 |
| 181 | 58.90 | 62.70 |
| 182 | 58.34 | 62.09 |
| 183 | 57.78 | 61.47 |
| 184 | 57.21 | 60.85 |
| 185 | 56.64 | 60.23 |
| 186 | 56.06 | 59.60 |
| 187 | 55.49 | 58.97 |
| 188 | 54.90 | 58.33 |
| 189 | 54.32 | 57.69 |
| 190 | 53.73 | 57.05 |
| 191 | 53.14 | 56.40 |
| 192 | 52.55 | 55.75 |
| 193 | 51.95 | 55.10 |
| 194 | 51.35 | 54.44 |
| 195 | 50.74 | 53.78 |
| 196 | 50.14 | 53.12 |
| 197 | 49.52 | 52.45 |
| 198 | 48.91 | 51.77 |
| 199 | 48.29 | 51.10 |
| 200 | 47.67 | 50.42 |
| 201 | 47.04 | 49.73 |
| 202 | 46.41 | 49.04 |
| 203 | 45.78 | 48.35 |
| 204 | 45.14 | 47.65 |
| 205 | 44.50 | 46.95 |
| 206 | 43.86 | 46.24 |
| 207 | 43.21 | 45.53 |
| 208 | 42.56 | 44.82 |
| 209 | 41.91 | 44.10 |
| 210 | 41.25 | 43.38 |

Rental Payment
Date on Which
Casualty Value
is Paid

Percentage of
Purchase Price
Payable as
Casualty Value
For Items De-
livered and Ac-
cepted on or Before
December 31, 1980

Percentage of
Purchase Price
Payable as
Casualty Value
For Items
Delivered and
Accepted After
December 31, 1980

| | | |
|-----|-------|-------|
| 211 | 40.59 | 42.65 |
| 212 | 39.92 | 41.92 |
| 213 | 39.25 | 41.19 |
| 214 | 38.58 | 40.45 |
| 215 | 37.90 | 39.71 |
| 216 | 37.22 | 38.96 |
| 217 | 36.53 | 38.21 |
| 218 | 35.85 | 37.46 |
| 219 | 35.16 | 36.70 |
| 220 | 34.47 | 35.94 |
| 221 | 33.77 | 35.18 |
| 222 | 33.07 | 34.41 |
| 223 | 32.37 | 33.64 |
| 224 | 31.66 | 32.87 |
| 225 | 30.96 | 32.09 |
| 226 | 30.25 | 31.31 |
| 227 | 29.53 | 30.52 |
| 228 | 28.82 | 29.73 |
| 229 | 28.10 | 28.94 |
| 230 | 27.38 | 28.15 |
| 231 | 26.65 | 27.35 |
| 232 | 25.92 | 26.54 |
| 233 | 25.19 | 25.74 |
| 234 | 24.46 | 24.93 |
| 235 | 23.72 | 24.12 |
| 236 | 22.98 | 23.30 |
| 237 | 22.24 | 22.48 |
| 238 | 21.50 | 21.66 |
| 239 | 20.75 | 20.83 |
| 240 | 20.00 | 20.00 |